

By Mr. TREADWAY: A bill (H. R. 13354) for the relief of Holyoke Ice Co.; to the Committee on Claims.

By Mr. WICKERSHAM: A bill (H. R. 13355) for the relief of Joe Reno; to the Committee on Claims.

By Mr. DICKSTEIN: Concurrent resolution (H. Con. Res. 41) authorizing a special committee to investigate into the facts and circumstances relating to the death of Esther Louise Klein; to the Committee on Rules.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8665. By Mr. BUCKBEE: Petition of Mr. and Mrs. William Harper and 21 others, residents of Morris, Ill., asking Congress not to change the eighteenth amendment, and stating their opposition to any beer legislation; to the Committee on the Judiciary.

8666. Also, petition of Mr. and Mrs. Paul Nielsen and 24 others, residents of Morris, Ill., asking Congress not to change the eighteenth amendment, and stating their opposition to any beer legislation; to the Committee on the Judiciary.

8667. By Mr. CRAWL: Petition of the Men's Bible Class of the First Methodist Episcopal Church of Los Angeles, Calif., favoring more adequate appropriations for the enforcement of the eighteenth amendment of the Constitution; to the Committee on the Judiciary.

8668. By Mr. GLOVER: Petition of Standard Brake & Shoe Foundry Co.; to the Committee on Expenditures in the Executive Departments.

8669. By Mr. HANCOCK of New York: Petition of the West District Woman's Home Missionary Society of Syracuse, N. Y., signed by Ella L. McCarthy and other residents of Syracuse, N. Y., favoring the creation of a Federal motion-picture commission, and urging the passage of Senate bill 1079 and Senate Resolution 170; to the Committee on Interstate and Foreign Commerce.

8670. By Mr. HARLAN: Petition of F. A. Hamilton Council, No. 109, Daughters of America, urging passage of House bill 10602; to the Committee on Immigration and Naturalization.

8671. By Mr. LINDSAY: Petition of the New York Academy of Medicine, New York City, urging repeal of the eighteenth amendment; to the Committee on the Judiciary.

8672. Also, petition of the United National Association of Post Office Clerks, opposing continuation of the furlough plan; to the Committee on Ways and Means.

8673. Also, petition of E. S. Ullman, 131 West Thirtieth Street, New York City, urging repeal of the eighteenth amendment; to the Committee on the Judiciary.

8674. Also, petition of William A. Worboys Co., New York City, urging the use of wooden barrels as containers for beer; to the Committee on the Judiciary.

8675. Also, petition of National Association of Letter Carriers, urging repeal of the economy act and the correction of its injustices; to the Committee on Ways and Means.

8676. By Mr. LUCE: Petition of Woman's Home Missionary Society of Grace Methodist Episcopal Church, Cambridge, Mass., relating to motion-picture censorship; to the Committee on Interstate and Foreign Commerce.

8677. By Mr. RAINEY: Petition of D. C. H. Harwood, mayor, and 163 other citizens of Charleston, Coles County, Ill., protesting against further moratoriums; to the Committee on Ways and Means.

8678. By Mr. ROBINSON: Petition of Mildred Jones, of Gilman, Iowa, signed by about 40 other citizens of Gilman, Iowa, urging that the eighteenth amendment shall not be repealed; to the Committee on the Judiciary.

8679. By Mr. RUDD: Petition of the Associated Cooperage Industries of America, protesting against discrimination in the method of packaging legal beer as set forth in bills drafted for consideration; to the Committee on the Judiciary.

8680. By Mr. TARVER: Petition of eighth district convention, Junior Order United American Mechanics of Georgia, asking the enactment of legislation to exclude

aliens from the count in determining congressional representation, and also legislation making it a criminal offense for any person to advocate the destruction of our Government by violence, and also for continued efforts to further restrict foreign immigration; to the Committee on the Judiciary.

8681. Also, petition of the Cedartown (Ga.) Kiwanis Club, for agricultural relief; to the Committee on Agriculture.

8682. Also, petition of J. F. Funderburk and others, of Richland, Ga., protesting against the proposed resolution for the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8683. By Mr. TEMPLE: Petition of the Woman's Christian Temperance Union of Eldora and the Woman's Christian Temperance Union of Monongahela, Washington County, Pa., protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8684. By the SPEAKER: Petition of the Brotherhood of Locomotive Firemen and Enginemen of Magnet Lodge, No. 227, of Binghamton, N. Y., protesting against the unfair tactics pursued by the National Economy League in their attempt to break down beneficial veteran legislation; to the Committee on Expenditures in the Executive Departments.

8685. Also, petition of Helen C. Marshall and other citizens of Missouri, protesting against the passage of any measures providing for the manufacture of beer, for the nullification of the Constitution, or against any proposal to repeal the eighteenth amendment; to the Committee on the Judiciary.

8686. Also, petition of Nettie Ireland and other citizens of Oroville, Calif., opposing any legislation to weaken the eighteenth amendment or nullify that part of the Constitution in any way; to the Committee on the Judiciary.

8687. Also, petition of the Advent Christian Conference of America, urging support of changes in the naturalization laws which will permit liberty of conscience in citizenship; to the Committee on Immigration and Naturalization.

8688. Also, petition of General Eastern Young People's Society of Loyal Workers, opposing any change in the prohibition laws; to the Committee on the Judiciary.

8689. Also, petition of the Unemployed Councils of the United States of America; to the Committee on Ways and Means.

8690. Also, petition of Jesse C. Duke, asking the impeachment of F. Dickinson Letts, an associate justice of the Supreme Court of the District of Columbia, and of Leo A. Rover, United States attorney for the District of Columbia; to the Committee on the Judiciary.

SENATE

WEDNESDAY, DECEMBER 7, 1932

The Chaplain, Rev. Zeb Barney T. Phillips, D. D., offered the following prayer:

Almighty God, our Heavenly Father, who despisest not the sighing of a contrite heart nor the desire of such as are sorrowful, we humbly beseech Thee mercifully to look upon our infirmities, and for the glory of Thy name turn from us all those evils that we most justly have deserved and grant that in all our troubles and adversities whensoever they oppress us we may rejoice in the comfort of Thy mercy and evermore serve Thee in holiness and pureness of living, to Thy honor and glory; through our only mediator and advocate, Jesus Christ our Lord. Amen.

JAMES J. DAVIS, a Senator from the State of Pennsylvania, and HENRY W. KEYES, a Senator from the State of New Hampshire, appeared in their seats to-day.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. Fess and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Schall
Austin	Cutting	Kendrick	Sheppard
Bailey	Dale	Keyes	Shipstead
Bankhead	Davis	King	Shortridge
Barbour	Dickinson	La Follette	Smith
Barkley	Dill	Logan	Smoot
Bingham	Fess	Long	Steiwer
Black	Fletcher	McGill	Swanson
Blaine	Frazier	McKellar	Thomas, Okla.
Borah	Glass	McNary	Townsend
Broussard	Glenn	Metcalf	Trammell
Bulkeley	Goldsbrough	Moses	Tydings
Bulow	Gore	Neely	Vandenberg
Byrnes	Grammer	Norbeck	Wagner
Capper	Hale	Nye	Walcott
Caraway	Harrison	Oddie	Walker
Carey	Hastings	Patterson	Walsh, Mass.
Cohen	Hatfield	Pittman	Walsh, Mont.
Connally	Hawes	Reed	Watson
Coolidge	Hayden	Reynolds	Wheeler
Copeland	Hull	Robinson, Ark.	White
Costigan	Johnson	Robinson, Ind.	

Mr. METCALF. I desire to announce the necessary absence of my colleague [Mr. HEBERT].

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

SENATORS FROM NEW JERSEY AND COLORADO

Mr. KEAN. Mr. President, I send to the desk the certificate of election of my colleague, Hon. W. WARREN BARBOUR, and ask that it may be read.

The VICE PRESIDENT. The certificate of election will be read.

The Chief Clerk read as follows:

CERTIFICATE OF ELECTION OF THE STATE OF NEW JERSEY

The board of State canvassers hereby determines, that at a general election held in the said State, on the 8th day of November, A. D. 1932, W. WARREN BARBOUR was duly elected a Member of the United States Senate of the United States to represent the State of New Jersey to fill the vacancy caused by the death of Dwight W. Morrow.

In witness whereof I have hereunto set my hand and affixed my official seal at Trenton this 6th day of December, A. D. 1932.

[SEAL.]

THOMAS A. MATHIS,
Secretary of State.

The VICE PRESIDENT. The certificate of election will be placed on file.

Mr. COSTIGAN. Mr. President, I send to the desk the credentials of Hon. KARL C. SCHUYLER as the successor of Hon. Walter Walker for the unexpired term of the late Hon. Charles W. Waterman, of Colorado. The Senator elect is in the Chamber and prepared to take the oath of office.

The VICE PRESIDENT. Let the certificate of election be read.

The Chief Clerk read the credentials, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, KARL C. SCHUYLER was duly chosen by the qualified electors of the State of Colorado a Senator from said State to represent said State in the Senate of the United States to fill the vacancy therein, caused by the death of Hon. Charles W. Waterman.

Witness: His excellency our governor, William H. Adams, and our seal hereto affixed at Denver, this 5th day of December A. D. 1932.

By the governor:

[SEAL.]

WM. H. ADAMS, Governor.
CHAS. M. ARMSTRONG,
Secretary of State.
A. G. SUEDEKER,
Deputy.

The VICE PRESIDENT. The certificate will be placed on file. The Senators elect will present themselves at the Vice

President's desk and the oath of office will be administered to them.

Mr. BARBOUR, escorted by Mr. KEAN, and Mr. SCHUYLER, escorted by Mr. COSTIGAN, advanced to the Vice President's desk; and the oath of office having been administered to them, they took their seats in the Senate.

CREDENTIALS

The VICE PRESIDENT. The Chair lays before the Senate the credentials of Senators-elect ADAMS, of Colorado; DIETERICH, of Illinois; HAYDEN, of Arizona; GEORGE, of Georgia; DUFFY, of Wisconsin; OVERTON, of Louisiana; and TYDINGS, of Maryland, which, if there be no objection, will be printed in full in the RECORD without reading and placed on file.

The credentials were ordered to be placed on file, and they are as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, ALVA B. ADAMS was duly chosen by the qualified electors of the State of Colorado a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His excellency our governor, William H. Adams, and our seal hereto affixed at Denver, this 5th day of December, A. D. 1932.

By the governor:

[SEAL.]

WM. H. ADAMS, Governor.
CHAS. M. ARMSTRONG,
Secretary of State.
A. G. SUEDEKER, Deputy.

STATE OF ILLINOIS.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, WILLIAM H. DIETERICH was duly chosen by the qualified electors of the State of Illinois a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His excellency our governor, Hon. Louis L. Emmerson, and our seal hereto affixed at Springfield, Ill., this 1st day of December, A. D. 1932.

By the governor:

[SEAL.]

LOUIS L. EMMERSON,
Governor.
WILLIAM J. STRATTON,
Secretary of State.

EXECUTIVE OFFICE, STATEHOUSE,

Phoenix, Ariz., November 29, 1932.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, CARL HAYDEN was duly chosen by the qualified electors of the State of Arizona a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His excellency our governor, George W. P. Hunt, and our seal hereto affixed at Phoenix, this 29th day of November, A. D. 1932.

By the governor:

[SEAL.]

GEORGE W. P. HUNT,
Governor.
SCOTT WHITE,
Secretary of State.

STATE OF GEORGIA, EXECUTIVE OFFICE,

Atlanta.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

A general election having been held in the State of Georgia on the 8th day of November, 1932, for the selection of a United States Senator from Georgia for a full term to succeed Hon. WALTER F. GEORGE, and the governor, secretary of state, and comptroller general having canvassed, counted, and consolidated the votes cast in said election, and having declared Hon. WALTER F. GEORGE duly elected to said office:

Therefore, this is to certify that on the 8th day of November, 1932, Hon. WALTER F. GEORGE was duly chosen by the qualified electors of the State of Georgia Senator to represent said State in the Senate of the United States for a full term beginning the 4th day of March, 1933, to succeed himself.

In witness whereof I have hereunto set my hand and caused the great seal of the State of Georgia to be affixed at the capitol, in the city of Atlanta, on the 23d day of November, A. D. 1932, and of the independence of the United States of America the one hundred and fifty-seventh.

By the governor:

[SEAL.]

RICHARD B. RUSSELL, Jr.,
Governor.
JOHN B. WILSON,
Secretary of State.

UNITED STATES OF AMERICA,
THE STATE OF WISCONSIN,
DEPARTMENT OF STATE.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, F. RYAN DUFFY was duly chosen by the qualified electors of the State of Wisconsin a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th of March, 1933.

Witness: His excellency our governor, Philip F. La Follette, and our seal hereto affixed at the capitol, in the city of Madison, this 29th day of November, A. D. 1932.

By the governor:

PHILIP F. LA FOLLETTE,
Governor.
THEODORE DAMMANN,
Secretary of State.

[SEAL.]

STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, JOHN H. OVERTON was duly chosen by the qualified electors of the State of Louisiana a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His excellency our governor, Oscar K. Allen, and our seal hereto affixed at Baton Rouge this 1st day of December, A. D. 1932.

By the governor:

OSCAR K. ALLEN, Governor.
E. A. CONWAY,
Secretary of State.

[SEAL.]

THE STATE OF MARYLAND,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

I, Albert C. Ritchie, Governor of the State of Maryland, and having control of the great seal thereof, do hereby certify that on the 8th day of November, 1932, MILLARD E. TYDINGS was duly chosen by the qualified electors of the State of Maryland a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

In testimony whereof I have hereunto set my hand and have caused to be hereto affixed the great seal of the State of Maryland at Annapolis, Md., this 30th day of November, in the year 1932.

By the governor:

ALBERT C. RITCHIE.
DAVID C. WINEBRENNER, 3d,
Secretary of State.

[SEAL.]

Mr. BANKHEAD. Mr. President, I send to the desk the credentials of my colleague, Hon. HUGO L. BLACK, and ask that they may be printed in the RECORD and filed.

The credentials were ordered to be placed on file and to be printed in the RECORD, as follows:

THE STATE OF ALABAMA,
DEPARTMENT OF STATE.

CERTIFICATE OF ELECTION

I, Pete B. Jarman, Jr., secretary of state, in accordance with the provisions of section 516 of the Code of Alabama, do hereby certify that, as shown by the returns of election on file in this office, HUGO L. BLACK was elected United States Senator at the general election held in this State on Tuesday, the 8th day of November, 1932.

Witness my hand this 23d day of November, 1932.

[SEAL.]

PETE B. JARMAN, Jr.,
Secretary of State.

SENATE OFFICE BUILDING COMMISSION

The VICE PRESIDENT. The Chair appoints the junior Senator from Delaware [Mr. TOWNSEND] a member of the Senate Office Building Commission, to fill the vacancy caused by the death of Hon. Wesley L. Jones, late a Senator from the State of Washington.

REPORT OF THE SECRETARY OF THE TREASURY

The VICE PRESIDENT laid before the Senate the annual report of the Secretary of the Treasury, submitted pursuant to law, on the state of the finances for the fiscal year ended June 30, 1932, which was referred to the Committee on Finance.

REPORTS OF THE ATTORNEY GENERAL

The VICE PRESIDENT laid before the Senate the annual report of the Attorney General of the United States, sub-

mitted pursuant to law, for the fiscal year ended June 30, 1932, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter from the Attorney General, submitting, pursuant to law, a list of suits arising under the public vessel act of March 3, 1925 (43 Stat. 1112), in which final decrees were entered, exclusive of cases on appeal, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter from the Attorney General, submitting, pursuant to law, a list of suits arising under the act of March 9, 1920 (41 Stat. 525), authorizing suits against the United States in admiralty involving merchant vessels, in which final decrees were entered against the United States, exclusive of cases on appeal, which was referred to the Committee on the Judiciary.

COST-ASCERTAINMENT REPORT, POST OFFICE DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Postmaster General, transmitting, pursuant to law, the cost-ascertainment report of the Post Office Department for the fiscal year 1932 and stating that the appendix to the report will be submitted at a later date, which, with the accompanying report, was referred to the Committee on Post Offices and Post Roads.

REPORT OF THE FEDERAL FARM BOARD

The VICE PRESIDENT laid before the Senate a letter from the acting chairman of the Federal Farm Board, transmitting, pursuant to law, the third annual report of the board for the year ended June 30, 1932; which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

RECOMMENDATIONS FOR LEGISLATION—FEDERAL FARM BOARD
(H. DOC. NO. 489)

The VICE PRESIDENT laid before the Senate a letter from the acting chairman of the Federal Farm Board, transmitting, pursuant to law, a special report of the board on "Recommendations for Legislation," which, with the accompanying special report, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

JUDGMENTS OF THE COURT OF CLAIMS (S. DOC. NO. 147)

The VICE PRESIDENT laid before the Senate a letter from the chief clerk of the Court of Claims, transmitting, pursuant to law, a statement of all judgments rendered by the Court of Claims for the year ended December 3, 1932, which, with the accompanying statement, was referred to the Committee on Appropriations and ordered to be printed.

THE BUDGET

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

Mr. ROBINSON of Arkansas. Mr. President, pending the reading of the message, may I inquire if copies of the same are available for the use of Senators?

The VICE PRESIDENT. No copies have been delivered to the Senate. The clerk will read the message.

The Chief Clerk read the message, as follows:

To the Congress of the United States:

I have the honor to transmit herewith the Budget of the United States for the fiscal year ending June 30, 1934. The appropriations herein recommended for the fiscal year 1934 have been reduced by about \$830,000,000 below the appropriations for the current fiscal year, which reduction is offset by about \$250,000,000 of unavoidable increases in items not subject to administrative control, making a net reduction of about \$580,000,000.

The following tabulation summarizes the estimates of appropriations (a) as contained in the body of the Budget and (b) as modified by the further recommendations contained in this message, compared with the appropriations made by the Congress for the current fiscal year:

Department or establishment	Fiscal year 1934 estimates—		Fiscal year 1933, appropriations	Increase (+) or decrease (–) of fiscal year 1934 compared with fiscal year 1933—	
	As estimated in the body of the Budget	As modified by additional recommendations in the Budget message		As estimated in the body of the Budget	As modified by additional recommendations in the Budget message
Legislative.....	\$21,088,928	¹ \$17,558,317	\$18,822,141	+\$2,266,787	–\$1,263,824
Executive Office and independent establishments (except Veterans' Administration).....	47,062,220	45,771,848	84,892,891	–37,830,671	–39,121,043
Veterans' Administration.....	1,060,976,834	931,077,773	1,020,464,000	+40,512,834	–80,386,227
Agriculture.....	118,814,909	115,883,297	317,883,236	–199,068,327	–201,999,939
Commerce.....	37,934,323	36,409,372	44,784,408	–6,850,085	–8,375,036
Interior.....	58,190,929	56,594,543	81,325,484	–23,134,555	–24,730,941
Justice.....	45,082,487	43,421,843	45,996,000	–913,513	–2,574,157
Labor.....	13,393,345	12,793,616	12,924,770	+468,575	–131,154
Navy.....	300,647,536	308,695,579	328,906,141	–19,258,605	–20,210,562
Post Office:					
From postal revenues.....	627,293,161	627,293,161	651,104,675	–23,811,514	–23,811,514
From the Treasury.....	97,000,000	67,215,330	155,000,000	–58,000,000	–87,784,670
State.....	13,008,627	12,505,304	13,654,793	–656,166	–1,189,489
Treasury.....	289,861,557	284,898,147	375,027,597	–85,166,040	–90,129,450
War:					
Military.....	278,606,741	276,863,201	305,739,924	–27,133,183	–28,876,723
Nonmilitary.....	73,296,440	71,559,462	151,718,158	–78,421,718	–80,158,696
Panama Canal.....	13,106,404	12,553,368	11,146,661	+1,959,743	+1,406,707
District of Columbia.....	39,743,270	38,643,862	44,497,622	–4,754,352	–5,853,760
Public debt:					
Reduction in principal.....	534,070,321	534,070,321	496,803,478	+37,266,843	+37,266,843
Interest.....	725,000,000	725,000,000	640,000,000	+85,000,000	+85,000,000
Total.....	4,403,178,032	4,218,808,344	4,800,731,979	–397,553,947	–581,923,635

¹ After deducting \$1,968,000, economy act savings.

The appropriations which I recommend be made for the fiscal year ending June 30, 1934, as shown above, total \$4,218,808,344, and are predicated upon the enactment of legislation, which I hereby recommend, providing (a) for a temporary reduction in the rate of pay of Federal personnel, to be applied to all civil employees prior to the application of the provisions of Title I of Part II of the act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes (the continuation of which for another year is submitted in the body of the Budget), effecting an additional saving of \$55,000,000, and (b) amending certain laws providing for benefits to veterans, producing a further saving of \$127,000,000. I recommend that this legislation be in the language appended to this message.

EXPENDITURES

The appropriations made for any fiscal year control the obligations which may be incurred during that year, but do not accurately reflect the expenditures of the year, as many expenditures are made in liquidation of obligations of a prior year and out of the prior year's appropriation, while many obligations incurred during the year are liquidated in a subsequent year.

Expenditures, therefore, while based upon the appropriations available, must be separately estimated. The following tabulation summarizes the expenditures contemplated during the fiscal year 1934 under appropriations (a) as recommended in the body of the Budget and (b) as modified by the further recommendations contained in this message, compared with the estimated expenditures for the current fiscal year:

Department or establishment	Fiscal year 1934—		Fiscal year 1933, as estimated in the body of the Budget	Increase (+) or decrease (–) of fiscal year 1934 compared with fiscal year 1933—	
	As estimated in the body of the Budget	As modified by additional recommendations in the Budget message		As estimated in the body of the Budget	As modified by additional recommendations in the Budget message
Legislative.....	\$20,581,300	\$17,050,700	\$24,675,800	–\$4,094,500	–\$7,625,100
Executive Office and independent establishments (except Veterans' Administration).....	51,675,800	50,385,500	128,904,800	–77,229,000	–78,519,300
Veterans' Administration.....	1,105,008,000	975,109,000	1,073,381,000	+31,627,000	–98,272,000
Agriculture.....	144,876,400	141,944,800	314,204,500	–169,328,100	–172,259,700
Commerce.....	40,066,900	38,541,100	44,743,400	–4,677,400	–6,202,300
Interior.....	71,010,500	69,414,200	75,605,800	–4,595,300	–6,191,600
Justice.....	44,654,000	42,993,400	46,081,300	–1,427,300	–3,087,900
Labor.....	13,368,500	12,768,800	12,337,400	+1,031,100	+431,400
Navy.....	330,126,000	329,174,100	356,360,500	–26,234,500	–27,186,400
Post Office:					
From postal revenues.....	625,000,000	625,000,000	600,000,000	+25,000,000	+25,000,000
From the Treasury.....	97,075,000	67,290,400	134,075,000	–37,000,000	–66,784,600
State.....	13,118,800	12,615,500	14,779,000	–1,660,200	–2,163,500
Treasury.....	336,365,700	331,402,300	367,725,800	–31,360,100	–36,323,500
War:					
Military.....	286,046,400	284,302,900	306,409,200	–20,362,800	–22,106,300
Nonmilitary.....	108,071,000	106,334,100	121,077,700	–13,006,700	–14,743,600
Panama Canal.....	12,933,000	12,380,000	13,421,800	–488,800	–1,041,800
District of Columbia.....	40,747,500	39,648,100	41,952,000	–1,204,500	–2,303,900
Public debt:					
Reduction in principal.....	534,070,300	534,070,300	498,153,400	+35,916,900	+35,916,900
Interest.....	725,000,000	725,000,000	695,000,000	+30,000,000	+30,000,000
Total.....	4,599,794,200	4,415,425,200	4,868,888,400	–269,094,200	–453,463,200
Deduct Postal Service payable from postal revenues.....	625,000,000	625,000,000	600,000,000	+25,000,000	+25,000,000
Total payable from the Treasury.....	3,974,794,200	3,790,425,200	4,268,888,400	–294,094,200	–478,463,200

The total expenditure in 1934 is increased above the normal carry-over of funds from prior appropriations by \$110,000,000 from the 1933 appropriations for construction as contained in the emergency relief and construction act,

in opposition to which appropriations I presented my views to the last Congress. This unusual carry-over accounts for the major difference between reduction of appropriations and reduction of expenditures.

EXPENDITURES AND RECEIPTS

The following tabulation summarizes the estimated expenditures and receipts for the fiscal years 1934 and 1933 compared with the actual expenditures and receipts for 1932. The expenditures for 1934 are predicated upon the appropriations for that year recommended above and the receipts for 1934 upon existing revenue laws:

	1934	1933	1932
Total payable from Treasury.....	\$3,790,425,200	\$4,268,888,400	\$5,006,590,308
Deduct public-debt retirements.....	534,070,300	498,153,400	412,629,750
Total other expenditures.....	3,256,354,900	3,770,735,000	4,593,960,558
Receipts.....	2,949,162,713	2,624,256,693	2,121,228,006
Excess of expenditures.....	307,192,187	1,146,478,307	2,472,732,549

From this tabulation it will be seen that, in spite of the large reduction in expenditures, the revenues under existing laws are expected to fall short of providing sufficient money to avoid a further increase in the public debt in the fiscal year 1934 by about \$307,000,000.

To meet this situation I recommend—

(a) That the Federal tax on gasoline, which is effective only until June 30, 1933, be continued until June 30, 1934, producing about \$137,000,000 additional revenue in the fiscal year 1934, and

(b) That the manufacturers' excise taxes now imposed on certain articles be extended and in part replaced by a general uniform tax (excluding food). I have been advised that the annual yield of such a general tax, at a 2¼ per cent rate, would be approximately \$355,000,000.

The additional \$492,000,000 of revenue produced in this way will not only make possible the replacements referred to above but will also avoid a further increase in the public debt during the fiscal year 1934. The details of these recommendations will be presented by the Secretary of the Treasury.

CONTINUANCE OF CERTAIN ECONOMY PROVISIONS

In arriving at the amounts of the estimates of appropriations contained in this Budget for the Executive branch of the Government, I have predicated my action on a continuance during the fiscal year 1934 of certain sections of parts of sections of the so-called economy act of June 30, 1932, which, by the terms of that act, are now limited in their application to the fiscal year 1933. The recommendation for the continuance of these sections of the economy act will be found in the general provisions which have been incorporated in the chapter of this Budget pertaining to the Post Office Department. These provisions have been inserted in that chapter for the reason that it has been the general policy of Congress to include in the consolidated act making appropriations for the Treasury and Post Office Departments general provisions which are to have application to all departments and establishments.

The provisions of section 110 of the economy act, which deal with the impounding of funds unexpended by reason of the operation of the provisions of Title I of that act are not, of course, recommended for continuance, as the savings which will result from the continuance during 1934 of the provisions of this title have been taken into consideration in framing the estimates of appropriations for 1934, including the permanent appropriation estimates. With regard to the permanent specific appropriations there is included in the recommendations a provision that these appropriations shall be reduced for 1934 in an amount which represents the savings which will be made therefrom by the continuance of the provisions of the economy act.

I am recommending the retention of so much of section 202 as precludes administrative promotions, but do not recommend the continuance of that portion of said section, nor of section 203, which for the current fiscal year requires the written authorization or approval of the President for the filling of vacant positions. This is a detail of administrative responsibility which should be restored to the heads

of the departments and establishments, where it has uniformly rested in the past. The estimates of appropriations for 1934 provide only for the personnel needed under the existing organizational set-up. If vacancies occur which are not necessary to be filled, I am confident that we can rely upon the heads of the departments and establishments to see that they are not filled. I feel that we are weakening the responsibility which should devolve upon and be entrusted in the heads of the departments and establishments by requiring the Chief Executive to authorize or approve in writing the filling of any vacancies which may occur in their personnel.

The reductions in the estimates of appropriations contained in this Budget which are due to the recommendation that certain provisions of the economy act be continued in force during 1934 amount to \$97,398,000. This is exclusive of the estimates of appropriations for the legislative branch of the Government, which do not, of course, reflect the savings which would result from the continuance in 1934 of these provisions of the economy act. The Budget and Accounting Act of 1921 provides that the estimates for the legislative branch of the Government shall be presented to the Congress without Executive revision. If these provisions of the economy act are continued in effect during 1934 they would automatically reflect a reduction in the estimates of appropriations for the legislative establishment of approximately \$1,968,000.

MOTOR VEHICLES

The provisions which have appeared annually in the separate appropriation acts relating to the purchase, use, and general maintenance of passenger-carrying automobiles have been consolidated and appear as section 3 of the Post Office Department chapter of this Budget, in language which makes the provision applicable to the appropriations for all of the executive departments and independent establishments for the fiscal year 1934. The adoption of a general provision will assure uniformity and avoid the necessity of carrying individual restrictions of this nature in each of the appropriation acts.

VETERANS' ADMINISTRATION

The appropriations recommended for the Veterans' Administration for 1934 amount to \$931,078,000, after deducting the savings to be accomplished by the legislation recommended above. The appropriations for 1933 total \$1,020,646,000. Without the savings now recommended above the appropriations for 1934 would exceed \$1,060,000,000. About \$21,000,000 of each of these amounts represents the cost of the civil-service retirement and disability fund which is administered by the Veterans' Administration. Deducting this amount gives a cost for care of veterans for 1934 of \$932,956,000 as against \$999,464,000 for 1933. This would indicate a decrease of about \$66,500,000, but the Veterans' Administration will require an additional amount of about \$16,250,000 for military and naval insurance during the current fiscal year, so that the real decrease in cost for 1934 under 1933 is about \$82,750,000.

The principal items of decrease are the \$127,000,000 to be accomplished by the legislation mentioned above and decreases in construction and in general administration. These decreases are partially offset by increases in military and naval insurance and in military and naval compensation.

RETIREMENT FUNDS

The actuarial revaluation of the civil-service retirement and disability fund so as to cover the changes made by the act of May 29, 1930, has not been completed. Pending the completion of this revaluation the estimates for the financing of the Government's liability to the fund is presented in the same amount as has been appropriated for each of the last two years, namely, \$20,850,000.

With regard to the Foreign Service retirement and disability fund the actuarial valuation shows that a Federal contribution of \$427,000 will be required for the fiscal year 1934 to maintain the solvency of the fund. The Government's liability to the fund was increased by the act approved February 23, 1931, but there has been no change in

the existing statutory authorization that appropriations to meet the Government's liability should at no time exceed the total of the contributions of the Foreign Service officers and accumulated interest thereon. Under existing law there is no authorization for an appropriation for 1934 in excess of \$292,700, so that this Budget contains an estimate in that amount only.

SHIPPING BOARD

No direct appropriation for the Shipping Board shipping fund was made for 1933, the operating costs for that year being met by the authority granted by Congress to utilize balances and reserves on hand. In addition to recommending a continuance of this authority for 1934 the estimate for the shipping fund contained in this Budget provides for a direct appropriation of \$2,875,000. The requirements of the Shipping Board shipping fund to meet its operating costs is dependent upon the lines of vessels which it may operate and each line which is sold operates to reduce the amount needed. Where the sale of lines by the Shipping Board is conditional upon the private operators receiving an ocean mail contract from the Post Office Department the board should be in a position to transfer to that department the savings which are reflected in the operating costs. For this purpose a provision has been incorporated in the estimates of appropriations for the Shipping Board to permit of the transfer of not exceeding \$4,000,000 to the Post Office Department to be available only for meeting the cost in 1934 of ocean mail contracts entered into by that department under the provisions of the merchant marine act of 1928 for service upon steamship lines which may be sold by the Shipping Board.

PUBLIC WORKS

Speaking generally of public works, this program is well in advance of the country's immediate need by virtue of the vast appropriations made for this purpose as a means of increasing employment. The authorization of large programs of self-liquidation works to be financed by the Reconstruction Finance Corporation provides aid to employment upon an even larger scale without burden upon the taxpayers. For this reason the estimates for public works generally for 1934 show a marked reduction below the appropriations for 1933.

FEDERAL-AID HIGHWAY SYSTEM

The authorization for appropriations for the Federal-aid highway system expires with the current fiscal year, 1933, and the unappropriated balance of the authorizations amounts to \$51,560,000. This Budget contains an estimate of appropriation of \$40,000,000 of this balance, this being the amount which will be required for expenditure in 1934 in the absence of any further legislative authorization for appropriation. I earnestly recommend to the Congress that there be no further grant of legislative authority for appropriation for Federal-aid highways until the financial condition of the Treasury justifies such action. The annual program of Federal aid for the highway system was increased from \$75,000,000 to \$125,000,000 beginning with the fiscal year 1931, and has been materially further advanced within the last two years by the appropriation of \$80,000,000 made in the emergency construction appropriation act of December 20, 1930, and the appropriation of \$120,000,000 contained in the emergency relief and construction act of July 21, 1932. I am not unmindful that these emergency appropriations, amounting to \$200,000,000, represent advances only and that under the provisions of the acts making them the entire amount, less the \$15,000,000, returnable to the United States from the authorization for 1933, is eventually to be reimbursed to the United States by deductions from the apportionments which may be made to the States under any future authorizations that may be granted for carrying out the Federal highway act. I do not, however, view this as a commitment which of itself necessitates further authorization for Federal appropriations until such time as the financial condition of the Treasury justifies such action.

BUILDINGS

The Federal public-building program authorized by the act of May 25, 1926, is progressing satisfactorily and the activi-

ties under it have been of material assistance in the relief of the unemployed. The program involves a total expenditure for all purposes of approximately \$700,000,000, of which \$190,000,000 is for land and buildings in the District of Columbia.

In furtherance of the provisions of the enabling legislation 817 projects have been specifically authorized at limits of cost aggregating \$470,717,000. On October 31, last, 254 of these projects had been completed, 400 projects were under contract either in whole or in part, and 110 projects were being processed toward the contract stage, the drawings therefor having been completed. In accordance with provisions of the legislative appropriation act for the fiscal year 1932, original limits of cost were reduced 10 per cent for over 200 projects not under contract on July 1, 1932. Further savings have been made as a result of the decline in price of materials, and it is estimated that of the \$470,717,000 specifically authorized for the 817 projects, at least \$40,000,000 will be saved and all of them completed within \$430,000,000.

In carrying on the program, including additional land in the District of Columbia, obligations aggregating \$378,804,417.52 were incurred to October 31, last, and \$261,278,065.75 actually expended.

The funds available for expenditure in the fiscal year 1933 amount to \$134,053,401.19. It is expected that this amount, together with the \$60,000,000 included in the estimates for 1934 not transmitted, will all be spent in the fiscal years 1933 and 1934.

These activities under the building program were increased to a marked degree by the appropriation of \$100,000,000 for public buildings contained in the emergency relief and construction act of 1932, which was approved on July 21, 1932. This act stipulated that the projects undertaken under the emergency appropriation should be selected from those to which funds authorized under the regular public-building program had been allocated. After a comprehensive survey of applicable conditions about 410 projects have been selected and plans have been laid to proceed with the work to the end that practically all of the funds appropriated will be obligated in the fiscal years 1933 and 1934.

No provision is made for additional projects in the Budget now transmitted other than estimates aggregating \$2,505,000 for miscellaneous projects not coming within the purview of the regular building program, as I do not deem further building at this time in the public interest.

RIVERS AND HARBORS AND FLOOD CONTROL

The estimate for the annual appropriation for the maintenance and improvement of existing river and harbor works contained in this Budget is \$39,388,129, a reduction from the comparable amount of the regular annual appropriation for 1933 of \$20,161,871. The emergency appropriations made last July for public works, with a view to increasing employment, contained \$30,000,000 for rivers and harbors, which is in addition to the annual appropriation of \$60,000,000 for 1933. Adding the estimate of appropriation for 1934 to the two appropriations for the current fiscal year will provide \$129,388,129 for the two years, or an average of nearly \$65,000,000 per year, and if there be included with these appropriations the amount of cash on hand June 30, 1932, the cash availability for river and harbor works during the fiscal years 1933 and 1934 totals approximately \$149,445,000, or an average of \$74,722,000 per year. Because of a reduction in the cost of labor and materials for work of this character, the value of the work of river and harbor improvement which can be accomplished during the fiscal years 1933 and 1934 with the funds available would represent an increase of from 15 to 40 per cent, or between \$171,862,000 and \$209,223,000 at 1929 costs.

For flood control the 1934 estimates of annual appropriations provide \$19,653,424 for the Mississippi River and its tributaries and \$768,480 for the Sacramento River, reductions of \$12,066,576 and \$207,520 from comparable amounts provided in the regular annual appropriations for 1933. In addition to the regular annual appropriation of \$32,000,000 for the fiscal year 1933, there was provided \$15,500,000 for

flood-control work on the Mississippi River and its tributaries by the relief act approved July 21, 1932. Adding the estimate of appropriation for 1934 to the two appropriations for the current fiscal year will provide \$67,153,424 for flood control on the Mississippi for the two years, or an average of over \$33,500,000 per year, and if the cash on hand on June 30, 1932, be included, the cash availability for the two years is approximately \$85,523,000, or an average of \$42,761,000 per year. In value of work these amounts will produce an increase of between 15 and 40 per cent over the work which could have been secured with the same amounts at 1929 costs, due to the reduction which has taken place in the cost of this character of work.

The total of the estimates contained in this Budget for rivers and harbors (including maintenance and operation of Dam No. 2, Muscle Shoals) and flood control is \$71,255,217, of which \$49,935,313 is for rivers and harbors and \$21,319,904 for flood control. The total of \$71,255,217 includes \$10,868,500 to meet requirements under authorizations of law covering permanent specific and indefinite appropriations, advances, and contributions for rivers and harbors, and flood-control work.

For maintenance and operation of the Panama Canal and the sanitation and civil government of the Canal Zone this Budget provides for a total of \$13,106,404, after deducting \$471,718 to cover reductions based upon a continuance in 1934 of certain provisions of the economy act. This gives \$12,634,686 to be used for purposes of comparison with the 1933 appropriation of \$11,146,661, and indicates a net increase in 1934 of \$2,431,461. However, it is to be noted that the Budget estimate for 1933 was reduced by \$3,500,000 and the amount appropriated supplemented to the same extent by a provision in the act reading "and such sums, aggregating not to exceed \$3,500,000, as may be deposited in the Treasury of the United States as dividends by the Panama Railroad Co. in excess of 10 per cent of the capital stock of such company." While this resulted in a facial reduction in the estimate as submitted in the Budget for 1933, it did not affect any saving, as it reduced by a corresponding amount the dividends which otherwise would have been paid into the Treasury by the Panama Railroad Co. Therefore, from the standpoint of availability of funds, the 1934 estimate is \$1,068,539 below the appropriations for 1933.

TREASURY DEPARTMENT

The estimates of appropriations for the Treasury Department as presented in this Budget, aside from interest on the public debt and public-debt retirements from ordinary receipts, are \$85,166,000 less than the appropriations for 1933. Excluding the amount of deductions predicated on a continuance of certain sections of the economy act, which amount to approximately \$8,000,000, and taking into consideration that an additional amount of about \$40,000,000 will be required in 1933 for refunding taxes illegally collected, the net decrease, aside from the public-debt items, amounts to approximately \$37,160,000.

The principal decrease is \$148,000,000 in the items for construction of new Federal buildings. This decrease is made possible by reduced expenditure requirements amounting to \$48,000,000 under the regular public-building program and the fact that the emergency relief and construction act of 1932 provided \$100,000,000 for public buildings, which is available during 1933 and subsequent years. Among the other decreases are \$5,700,000 for customs administration, due largely to reimbursable items resulting from the decline in customs receipts; \$1,084,000 in the Coast Guard items; and \$753,000 under the Bureau of Engraving and Printing due to reduced production program.

On the increase side the main items, excluding those pertaining to the public debt, are \$68,000,000 for refunding taxes illegally collected, for which no direct appropriation was made for the current fiscal year, and \$7,715,000 for the Office of the Supervising Architect, which is made up principally of items having to do with the operation and maintenance of the large number of Federal buildings which will be completed during 1934, the remodeling and enlarging of old buildings, and the increase in force and related expenses,

both in Washington and in the field, incident to the enlarged construction program.

With regard to public-debt transactions the estimate under the permanent appropriation for 1934 for interest on the public debt shows an increase of \$85,000,000 in excess of the appropriation for 1933. There is also an increase of \$37,266,843 for public-debt retirements from ordinary receipts, consisting of the cumulative sinking fund, additional sinking-fund requirements to carry into effect the provisions of section 308 of the emergency relief and construction act of 1932, receipts from foreign governments to be applied to debt retirements, and retirements from franchise-tax receipts from Federal reserve banks.

NATIONAL DEFENSE

Excluding all items of a nonmilitary nature the estimates of appropriations contained in this Budget for national defense under the War and Navy Departments amount to \$586,447,000 as compared with appropriations of \$632,466,000 for 1933, which indicates a decrease of \$46,019,000. To obtain a proper basis for comparison, however, there should be deducted \$16,996,000, which represents the deductions made in the 1934 estimates predicated upon a continuance during that fiscal year of certain provisions of the economy act. On this comparable basis the decrease is slightly more than \$29,000,000.

With regard to the War Department the net decrease is \$18,215,000, which results from a large number of items of increase and decrease. The principal item of decrease is Army construction, for which \$17,414,000 was appropriated in 1933, and for which no similar item is included in this Budget. Construction under the Army housing program has progressed to such a stage that a postponement of further construction can be made at this time without detriment to the Army. Other decreases which merit mention here are \$3,590,000 in arming, equipping, and training the National Guard, effected principally by the inclusion in the estimate of appropriation of a provision temporarily suspending existing law so as to permit a reduction in the number of armory drills paid for by the United States from 48 to 24, and \$1,592,000 for citizens' military training camps, made possible by a reduction of the number of trainees to be ordered to such camps. The principal increase is \$4,483,000 for subsistence of the Army, which is due to the fact that the appropriation for 1933 was supplemented by \$5,435,000 of excess stock and funds accumulated from prior year appropriations—no similar assets being available for 1934. There is also an increase of \$1,243,000 for transportation of the Army, required principally for the procurement of trucks and ambulances and the transportation of Army supplies and its personnel and baggage.

Provision is made in these estimates for average active strengths of 12,000 commissioned officers, 883 warrant officers, and 118,750 enlisted men of the Regular Army, and 6,500 enlisted men of the Philippine Scouts; for an actual average strength of 185,000 officers and men of the National Guard; for the training of 16,722 members of the Organized Reserves for varying periods; for the enrollment and instruction of 127,565 students in the Reserve Officers' Training Corps units in schools and colleges, and the training of 7,200 of this number in 30-day camps; and for 30 days' attendance at citizens' military training camps of 13,000 trainees. The estimates for 1934 make provision for the adequate maintenance and operation of Army Air Corps activities and for the procurement of 375 new airplanes, which will give the Air Corps a total of 1,537 airplanes, on hand and on order on June 30, 1934, leaving a shortage of only 111 in the approved program of 1,648 airplanes for the Regular Army.

For the Navy Department the net decrease in the estimates for 1934 from the appropriations for 1933 is \$10,807,000. There is a reduction of \$12,554,000 for ordinary maintenance and operating expenses; \$10,240,000 for public-works projects, and \$9,450,000 in the amount for modernization of battleships. Offsetting these reductions, totaling \$32,244,000, is an increase of \$21,437,000 for construction of new vessels.

The items for ordinary maintenance and operation provide for maintaining during the fiscal year 1934 an average of 79,700 enlisted men of the Navy, the same as provided for 1933, and an average of 13,600 enlisted men of the Marine Corps as compared with an average of 15,343 men provided for 1933.

The estimate of \$4,400,000 included in this Budget for modernization of battleships is sufficient to complete work on two battleships and to carry forward work on the other ship now in dock.

For construction of new vessels the 1934 estimates total \$38,845,000. This sum, together with the amount of \$5,000,000 to be transferred to this account from the naval supply account fund and an estimated balance of \$9,525,000 to be carried over from 1933, will make available for 1934 a total of \$53,380,000. This amount is ample to continue work at a normal rate of progress on all vessels now under way, and, in addition, on one 8-inch cruiser to be laid down in January, 1933, another such cruiser to be laid down in January, 1934, and four destroyers to be laid down in the first half of the fiscal year 1934. The amount appropriated for 1933 for construction of new vessels was \$18,063,000. In addition, \$7,000,000 was authorized to be transferred from other appropriations and a balance of \$37,817,000 was carried over from 1932, making a total availability for 1933 of \$62,880,000. While the estimates for vessel construction for 1934 are about \$21,000,000 in excess of the appropriation for 1933, the availability for 1934 will be some \$9,500,000 less than the availability for 1933. This difference is largely accounted for in the estimated savings due to the continuation of provisions of the economy act and the anticipated reduction in labor costs.

The present schedule of wages for per diem employees of the Naval Establishment has been in effect since January 1, 1929. A provision of the economy act prohibits a reduction in such wage rates during the fiscal year 1933. This provision is not recommended for continuation through 1934.

A total decrease of \$4,576,000 in the cost of national defense is reflected in this Budget by the inclusion in the Post Office Department chapter of a general provision suspending, for the fiscal year 1934, the reenlistment allowance or bonus to enlisted men. There is certainly at this time no necessity of the military service which justifies the payment of a cash bonus to men for reenlisting in the service.

UNEXPENDED BALANCES

Following the policy which I have uniformly pursued and which has had the concurrence of the Congress, I am not recommending that the requirements for 1934 be met in part by a reappropriation or extension of the availability of unexpended balances of appropriations for the fiscal year 1933 except in those cases in which moneys appropriated for a specific nonrecurring project remain unexpended and it is necessary to continue the availability of the funds for the same purpose or purposes for which originally appropriated.

CONCLUSION

Notwithstanding the large reduction in expenditures estimated for the current fiscal year below those in the fiscal year 1932 and the increased revenues anticipated during this year under the revenue laws enacted at the last session of Congress, a large excess of expenditures with consequent increase in the public debt is anticipated for the current fiscal year.

Such a situation can not be continued without disaster to the Federal finances. The recommendations herein presented to the Congress for further drastic reductions in expenditures and increased revenues will serve to prevent a further increase in the public debt during the fiscal year 1934 only if Congress will refrain from placing additional burdens upon the Federal Treasury.

I can not too strongly urge that every effort be made to limit expenditures and avoid additional obligations not only in the interest of the already heavily burdened taxpayer but in the interest of the very integrity of the finances of the Federal Government.

HERBERT HOOVER.

DECEMBER 5, 1932.

APPENDIX

TEXT OF LEGISLATION RECOMMENDED IN THE "MESSAGE TRANSMITTING THE BUDGET"

"COMPENSATION REDUCTION OF FEDERAL EMPLOYEES"

"During the fiscal year ending June 30, 1934—

"(a) The compensation for each civilian office, position, or employment in any branch or service of the United States Government or the government of the District of Columbia is hereby reduced as follows: Compensation at an annual rate of \$1,000 or less shall be exempt from reduction; and compensation at an annual rate in excess of \$1,000 shall be reduced by 11 per cent of the amount thereof in excess of \$1,000.

"(b) The term 'compensation' shall be defined and computed as provided in subsections (b) and (c) of section 104 of Part II of the act entitled 'An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes,' approved June 30, 1932, in so far as such subsections are applicable to any civilian office, position, or employment.

"(c) In the case of a corporation the majority of the stock of which is owned by the United States, the holders of the stock on behalf of the United States, or such persons as represent the interest of the United States in such corporation, shall take such action as may be necessary to apply the provisions of subsection (a) herein to offices, positions, and employments under such corporation and to officers and employees thereof.

"(d) The reduction provided herein shall not apply to any office, position, or employment the amount of compensation of which is expressly fixed by international agreement; any office, position, or employment the compensation of which is paid under the terms of any contract in effect on the date of the enactment of this act if such compensation may not lawfully be reduced; any office the compensation of which may not, under the Constitution, be diminished during the term of office; any office, position, or employment the compensation for which is adjustable to conform to the prevailing local rate for similar work, but the wage board or other body charged with the duty of making such adjustment shall take such action as may be necessary to make such adjustment effective July 1, 1933; nor to any office, position, or employment the compensation for which is derived from assessments on banks and/or is not paid from the Federal Treasury."

NOTE.—The reductions to be accomplished by the foregoing legislation amount in all to approximately \$55,382,000. This pertains to all of the appropriation items which make provision for personal services. A statement will be made available to the proper committees of Congress showing the amount of the reduction which pertains to each appropriation item.

"PROVISIONS AFFECTING VETERANS' ADMINISTRATION"

"(a) Income limitations: Notwithstanding the provisions of law in effect at the date of enactment of this act, except as to those persons who have attained the age of 65 years, or those persons who served in the active military or naval forces and who actually suffered an injury or contracted a disease in line of duty as a result of and directly attributable to such service, or those persons who, in accordance with the World War veterans' act, 1924, as amended, or the laws granting military or naval pensions, are temporarily totally disabled or permanently and totally disabled as a result of disease or injury acquired in, or aggravated by, active military or naval service, or those persons who while in the active military or naval service engaged in actual combat with, were under actual fire of, or served in the zone of active hostilities against, the armed forces of the enemy in any war in which the United States was engaged, no allowance, compensation, retired pay, pension, hospitalization, or domiciliary care under the war risk insurance act, as amended, the World War veterans' act, 1924, as amended, the laws governing the granting of Army and Navy pensions, the laws governing the granting of domiciliary care by the Veterans' Administration, or the emergency officers' retirement act of May 24, 1928, shall be payable or granted to any person whose net income as defined by the Administrator of Veterans' Affairs, was \$1,500 or over, if single, and \$3,500 or

over, if married, for the year preceding the enactment of this act or the year preceding the filing of application for benefits, whichever is the later. The minimum amounts above specified shall be increased by \$400 for each person dependent upon the applicant during the period prescribed. Such benefits shall not be paid or granted during any year following that in which the net income plus allowance for dependents exceeds the prescribed amounts: *Provided*, That irrespective of the income for a preceding year, upon submission of proof satisfactory to the administrator of reduction in income during the current year below the amounts specified herein, when prorated monthly, such benefits as may otherwise be authorized shall be allowable from the date of administrative determination. Payments of Government insurance, allowance, compensation, retired pay, or pension shall not be considered as income within the provisions of this section. The Secretary of the Treasury is hereby directed upon request, to transmit to the administrator a certificate containing the information required by the administrator to carry out the purposes of this section affecting each person who is applying for or receiving such allowance, compensation, retired pay, pension, hospitalization, or domiciliary care, and such certificate shall be conclusive evidence of the facts stated therein. As to allowance, compensation, retired pay, or pension being paid, or hospitalization or domiciliary care being furnished, at the date of enactment of this act, this section shall take effect six months after such date, and no continuance or granting of allowance, compensation, retired pay, pension, hospitalization, or domiciliary care shall thereafter be authorized except in accordance herewith. As to pending claims and claims filed after the date of enactment of this act, the provisions of this section shall take effect on such date: *Provided*, That this section shall not apply to such persons as are entitled to benefits described in this section on account of the death of any person who served in the active military or naval service.

"(b) Disability allowance: Notwithstanding the provisions of law in effect at the date of enactment of this act, no disability allowance under the World War veterans' act, 1924, as amended, shall be payable to any former soldier, sailor, or marine who is not totally and permanently disabled under the laws and regulations governing the payment thereof: *Provided*, That payment of disability allowance to those former soldiers, sailors, or marines in receipt thereof at the date of enactment of this act shall continue until the first day of the third calendar month following the month during which this act is enacted, but no continuance or granting of disability allowance shall thereafter be authorized except in accordance with this section.

"(c) Veterans in institutions: The first two paragraphs of subdivision (7) of section 202 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 480), are hereby amended to read as follows:

"Effective as of the first day of the third calendar month following the month during which this amendatory act is enacted, where any person shall have been maintained as an inmate of the United States Soldiers' Home, or of any National or State soldiers' home, or of St. Elizabeths Hospital, or maintained by the Veterans' Administration in an institution or institutions, for a period of 30 days or more, the compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, shall thereafter not exceed \$20 per month so long as he shall thereafter be maintained: *Provided*, That if such person has a wife, a child or children, or dependent parent or parents, the difference between the \$20 and the amount to which the veteran would otherwise be entitled except for the provisions of this subdivision may be paid to the wife, child or children, and dependent parent or parents in accordance with regulations prescribed by the administrator.

"All or any part of such compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, of any mentally incompetent inmate of such institution may, in the discretion of the administrator, be paid to the chief officer of said institution to be properly

accounted for and to be used for the benefit of such inmate: *Provided, however*, That in any case where the estate of such mentally incompetent veteran without dependents, derived from funds paid under the war risk insurance act, as amended, the World War veterans' act, 1924, as amended, the laws governing the granting of Army and Navy pensions, or the emergency officers' retirement act of May 24, 1928, equals or exceeds \$3,000, payment of compensation, pension, allowance, or retired pay shall be discontinued until the estate is reduced to \$3,000, and this proviso shall apply to payments due or accruing prior or subsequent to the date of enactment of this amendatory act: *Provided further*, That if such person shall recover his reason and shall be discharged from such institution as competent, such sum shall be paid him as is held in trust for him by the United States or any chief officer of an institution as a result of the laws in effect prior and/or subsequent to the enactment of this amendatory act: *Provided further*, That if in the judgment of the administrator a mentally incompetent person without dependents, receiving compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, requires institutional care for his mental condition and his guardian or other person charged with his custody refuses to accept or permit the continuance of the institutional care offered or approved by the administrator, compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, payable, shall not exceed \$20 per month so long as the need for such institutional care shall continue. The administrator in his discretion, upon showing of proper treatment in a recognized reputable private institution, may waive the reduction provided by this subdivision.

"All pensioners who are or may, from the date of enactment of this amendatory act, become inmates of the naval home at Philadelphia, Pa., a naval hospital, the United States Soldiers' Home, Washington, D. C., or of the Veterans' Administration homes, or of St. Elizabeths Hospital, shall have the pension to which they are entitled paid to them directly or to their guardians in case they be insane or otherwise incompetent and under guardianship, except as to payments made to the chief officer of an institution as provided in the preceding paragraph of this section, provided that from and after the enactment of this amendatory act the payment of pensions in all cases where pensioners are under guardianship may be made to the legal guardians of such persons without submission of vouchers."

"(d) Arrested tuberculosis: That paragraph 3 of section 202(7) of the World War veterans' act, as amended (U. S. C., title 38, sec. 480), is hereby amended by adding at the end thereof the following proviso:

"*Provided further*, That the compensation of not less than \$50 per month shall be terminated effective six months after the approval of this amendatory act or five years after the effective date of the award of \$50 per month, whichever is the later."

"(e) Emergency officers' retired pay: In the administration of the act of May 24, 1928, entitled 'An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War' (U. S. C., Supp. V, title 38, secs. 581 and 582), no officer or former officer shall receive retired pay thereunder, unless he served as a member of the Military or Naval Establishment between April 6, 1917, and November 11, 1918, inclusive, and within such period actually contracted a disease or suffered an injury in line of duty as the result of and directly attributable to such service, or unless he served a period of 90 days or more between April 6, 1917, and November 11, 1918, inclusive, and actually contracted a disease or suffered an injury in line of duty as the result of and directly attributable to service between November 12, 1918, and July 2, 1921, inclusive, and unless he has been or is found by the former Veterans' Bureau or the Veterans' Administration to be not less than 30 per cent permanently

disabled as a result thereof prior to May 24, 1928, or within one year thereafter, in accordance with the rating schedule and amendments promulgated pursuant to subdivision (4) of section 202 of the World War veterans' act, 1924, as amended (U. S. C., title 38, sec. 477), in force at that time, and unless he is found by the Veterans' Administration to be not less than 30 per cent permanently disabled at the time of the enactment of this act under such rating schedule as amended and in effect at the date of the enactment of this act: *Provided*, That no person shall be retired without pay except in accordance with the foregoing provisions of this section, except that the degree of disability required for retirement without pay shall be less than 30 per cent and more than 10 per cent permanent disability.

"The Veterans' Administration is hereby authorized and directed to review all claims heretofore filed under the emergency officers' retirement act of May 24, 1928, and to remove from the rolls of retired emergency officers the names of such officers as are not found to be entitled to retirement under the first paragraph of this section. The Administrator of Veterans' Affairs is further authorized and directed to cause to be certified to the Secretary of War or the Secretary of the Navy, as the case may be, the names of those officers who are removed from the rolls, and the Secretary of War and the Secretary of the Navy are hereby authorized and directed to drop from the emergency officers' retired list and the Army and Navy registers the names of such officers. Payment of emergency officers' retired pay, in the case of any officer whose name is removed from the rolls or transferred to the list of those retired without pay by reason of the provisions of this section, shall cease on the first day of the third calendar month following the month during which certification or transfer is made, as the case may be. The Administrator of Veterans' Affairs is hereby authorized and directed to transfer the name of each officer removed from the rolls of those entitled to emergency officers' retired pay, to the compensation rolls of the Veterans' Administration and to pay, commencing with the first day of the third calendar month following the month during which certification is made by the administrator of the name of the officer removed from the rolls, as herein provided, compensation in accordance with the provisions of the World War veterans' act, 1924, as amended, notwithstanding that no previous application for compensation has been made.

"The review of all claims authorized and directed under the second paragraph of this section shall be final, except for one reconsideration. No rerating or review shall thereafter be authorized in such claims.

"After the expiration of one year following the enactment of this act no review, appeal, or other consideration shall be authorized in connection with any claim for emergency officers' retirement upon which a decision has at any time been rendered by the Veterans' Administration or Bureau.

"No person shall be entitled to benefits under the provisions of this section, except he shall have made valid application under the provisions of the emergency officers' retirement act of May 24, 1928.

"All provisions of the emergency officers' retirement act of May 24, 1928, in conflict with or inconsistent with the provisions of this section are hereby modified and amended to the extent herein specifically provided and stated as of the date of enactment, May 24, 1928.

"(f) Repeal of per diem allowances: Section 203 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 492), is hereby amended to read as follows:

"SEC. 203. That every person applying for or in receipt of compensation for disability under the provisions of this title and every person applying for treatment under the provisions of subdivisions (9) or (10) of section 202 hereof, shall, as frequently and at such times and places as may be reasonably required, submit himself to examination by a medical officer of the United States or by a duly qualified physician designated or approved by the administrator. He

may have a duly qualified physician designated and paid by him present to participate in such examination. For all examinations he shall, in the discretion of the administrator, be paid his reasonable traveling and other expenses. If he shall neglect or refuse to submit to such examination, or shall in any way obstruct the same, his right to claim compensation under this title shall be suspended until such neglect, refusal, or obstruction ceases. No compensation shall be payable while such neglect, refusal, or obstruction continues, and no compensation shall be payable for the intervening period.'

"(g) Limitation of retroactive benefits: Section 205 of the World War veterans' act, 1924, as amended (U. S. C., title 38, sec. 494), is hereby amended to read as follows:

"SEC. 205. The Veterans' Administration may at any time review a claim for benefits under this act, or the laws governing the granting of Army and Navy pensions, and in accordance with the facts found and the law applicable, award, end, diminish, or increase allowance, compensation, or pension, but no allowance, compensation, or pension shall be awarded as a result of such review for any period more than six months prior to date of administrative determination. Where the time for appeal prescribed by regulations has expired a claimant may make application for review upon the evidence of record at the time of the last adjudicatory action but no allowance, compensation, or pension, or increased allowance, compensation, or pension, as a result of such review, shall be awarded for any period more than six months prior to date of application. No review of any claim shall be made except as provided herein. Except in cases of fraud participated in by the beneficiary, no reduction in allowance, compensation, or pension shall be made retroactive, and no reduction or discontinuance of allowance, compensation, or pension shall be effective until the first day of the third calendar month next succeeding that in which such reduction or discontinuance is determined. The proviso in the paragraph under the heading "Pension Office" in the act entitled "An act making appropriations to supply further urgent deficiencies in the appropriations for the fiscal year ending June 30, 1894, and for prior years, and for other purposes," approved December 21, 1893 (U. S. C., title 38, sec. 56), is hereby repealed.

"(h) Transfer from compensation to pension rolls: The first paragraph of section 200 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 471), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following:

"*Provided further*, That where no active military or naval service was rendered between April 6, 1917, and November 11, 1918, no compensation shall be payable for disability or death resulting from injury suffered or disease contracted during active service in an enlistment entered into after November 11, 1918, or for aggravation or recurrence of a disability existing prior to examination, acceptance, and enrollment for service, when such aggravation was suffered or contracted in, or such recurrence was caused by, the active military or naval service in an enlistment entered into after November 11, 1918: *Provided further*, That the Administrator of Veterans' Affairs is hereby authorized and directed to transfer to the general pension rolls for the Regular Establishment the names of those persons in receipt of compensation who, by reason of the enactment of this amendatory act, are no longer entitled to compensation, and to pay such persons pension in accordance with the rates provided for their disabilities under the general pension laws, but this transfer shall not take effect until six months following the date of the enactment of this amendatory act: *Provided further*, That this act, as amended, and the laws governing the granting of Army and Navy pensions shall not be construed to deny the right of any person to receive pension on account of active military or naval service subsequent to November 11, 1918: *Provided further*, That the provisions of section 602 of the World

War veterans' act, 1924, as amended, shall not be construed to authorize the payment of compensation contrary to the provisions of this amendatory act.

"(i) Testimony in suits upon insurance claims: The first paragraph of section 19 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 445), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following:

"*Provided further*, That in any suit tried under the provisions of this section the court shall not receive, admit, or entertain the testimony of any person whose statement has not been submitted to the United States Veterans' Bureau or the Veterans' Administration prior to the denial of the claim sued upon, and the date of issuance of the letter of disagreement required by this section shall be the date of denial of the claim, except that if in a preliminary proceeding prior to trial of the claim sued upon, it is shown by the plaintiff to the satisfaction of the court that relevant and material testimony is available from any person whose statement has not been submitted to the United States Veterans' Bureau or the Veterans' Administration prior to the denial of the claim sued upon, the court shall stay all proceedings in the suit until the statement of such person is submitted to the Administrator of Veterans' Affairs, who shall cause the claim to be immediately reviewed, and in case the administrator allows such claim, the suit shall be dismissed but if the administrator disallows the claim, such person may be a witness in the trial of the cause: *Provided further*, That the last preceding proviso shall apply to all suits pending on the date of the enactment of this amendatory act against the United States under the provisions of the war risk insurance act, as amended, or this act, as amended."

"(j) Revival of Government insurance restricted: Sections 305 and 309 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, secs. 516, 516b), are hereby repealed as of the date of their enactment, and notwithstanding the provisions of section 602 of the World War veterans' act, 1924, as amended (U. S. C., title 38, sec. 571), no additional payments shall be made under such sections or the third proviso of section 408 of the war risk insurance act, as amended, except to those persons actually receiving payments on the date of enactment of this act, or in those claims where, prior to the date of the enactment of this act, it has been determined by the Veterans' Administration that all or part of the insurance is payable under such sections and the interested person or persons entitled thereto have been informed of such determination: *Provided*, That where a beneficiary receiving insurance payments under such sections dies and there is surviving a widow, child or children, or dependent mother or father, of the veteran, the remaining unpaid installments shall be paid to the following permitted class of beneficiaries in the following order of preference: (1) To the widow of the veteran if living at date of death of the beneficiary; (2) if no widow, then to the child or children of the veteran, share and share alike; (3) if no wife, child, or children, then to the dependent mother of the veteran; (4) if no wife, child or children, or dependent mother, then to the dependent father of the veteran, but no payments under this proviso shall be made to the heirs or legal representatives of any beneficiaries in the permitted class who die before receiving the monthly installments to which they are entitled and the remaining unpaid installments shall be paid to the beneficiary or beneficiaries in the order of preference prescribed in this proviso."

NOTE.—The reductions to be accomplished by the legislation recommended above pertain to appropriations for the Veterans' Administration, as follows:

Salaries and expenses.....	\$2,300,000
Army and Navy pensions.....	11,241,000
Military and naval compensation.....	107,479,000
Military and naval insurance.....	6,000,000
Total.....	127,020,000

HERBERT HOOVER.

DECEMBER 5, 1932.

The VICE PRESIDENT. The President's message with the accompanying Budget will be referred to the Committee on Appropriations and printed.

REPORT OF BELLEAU WOOD MEMORIAL ASSOCIATION

The VICE PRESIDENT laid before the Senate a letter from the honorary president of the Belleau Wood Memorial Association transmitting, pursuant to law, the report of the association for the year ended December 31, 1931, which, with the accompanying report, was referred to the Committee on Military Affairs.

CHANGE IN THE DATE OF THE INAUGURATION

The VICE PRESIDENT laid before the Senate a communication from the Governor of the State of Texas with an accompanying joint resolution of the State legislature, which, with the attached papers, was ordered to lie on the table, as follows:

EXECUTIVE DEPARTMENT,
Austin, Tex., September 9, 1932.

HON. CHARLES CURTIS,
President of the Senate of the United States,
Washington, D. C.

SIR: I attach hereto certified copy of House Joint Resolution No. 1, recently passed by the Forty-second Legislature of Texas, in special session, and approved by me on September 8, 1932, ratifying an amendment passed by the Seventy-second Congress of the United States at its first session, beginning December 7, 1931, which amendment, in substance, provides and fixes the commencement of the terms of President and Vice President and Members of Congress and fixes the time of the assembling of Congress.

Very truly yours,

R. S. STERLING, Governor.

House joint resolution ratifying an amendment to the Constitution of the United States of America passed by the Seventy-second Congress of the United States of America at its first session, begun and held at the city of Washington on Monday, the 7th day of December, 1931, which amendment, in substance, provides and fixes the commencement of the terms of President and Vice President and Members of Congress and fixes the time of the assembling of Congress, and that said amendment shall take effect on the 15th day of October following its ratification; and providing further that this article shall be inoperative unless it shall have been ratified as an amendment to the Constitution within seven years from the date of submission to the States by Congress

PREAMBLE

And whereas both Houses of the Seventy-second Congress of the United States of America at its first session, by a constitutional majority of two-thirds thereof, made the following proposition to amend the Constitution of the United States of America, in substance, to wit:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

"SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."

JOHN N. GARNER,
Speaker of the House of Representatives.
CHARLES CURTIS,
Vice President of the United States
and *President of the Senate.*

Now, therefore, be it
Resolved by the Legislature of the State of Texas (by senate and house concurring):

SECTION 1. That said proposed amendment to the Constitution of the United States of America proposed by the Seventy-second Congress of the United States at its first session, reading as follows, to wit:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January and the terms of Senators and Representatives at noon on the 3d day of January of the years in which such terms would have ended if this article had not been ratified, and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

"SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission,"

be, and the same is, hereby ratified by the Legislature of the State of Texas.

SEC. 2. That certified copies of the foregoing preamble and this joint resolution be forwarded by the Governor of the State of Texas to the President of the United States, the Secretary of State of the United States, the President of the Senate of the United States, and the Speaker of the House of Representatives of the United States.

EDGAR E. WITT,
President of the Senate.
FRED H. MINOT,
Speaker of the House.

I hereby certify that House Joint Resolution No. 1 was passed by the house on September 1, 1932, by the following vote: Yeas 125, nays 0.

LOUISE SNOW PHINNEY,
Chief Clerk of the House.

I hereby certify that House Joint Resolution No. 1 was passed by the senate on September 7, 1932, by the following vote: Yeas 27, nays 0.

BOB BARKER,
Secretary of the Senate.

Received state department, September 8, 1932, Austin, Tex.

JAMES Y. MCCALLUM,
Secretary of State.

Received in the executive office this 8th day of September, 1932, at 9 o'clock a. m.

M. L. WIGINTON,
Secretary to the Governor.

Approved September 8, 1932.

R. S. STERLING,
Governor.

THE STATE OF TEXAS,
DEPARTMENT OF STATE.

I, Jane Y. McCallum, secretary of state of the State of Texas, do hereby certify that the foregoing is a true and correct copy of House Joint Resolution 1 passed at the third called session, forty-second legislature, with the indorsement thereon, as now appears of record in this department.

In testimony whereof I have hereunto signed my name officially and caused to be impressed hereon the seal of state at my office in the city of Austin, this 9th day of September, A. D. 1932.

[SEAL.]

JANE Y. MCCALLUM,
Secretary of State.

The VICE PRESIDENT also laid before the Senate a communication from the Governor of the State of Alabama with an accompanying joint resolution of the State legislature, which, with the attached papers, was ordered to lie on the table, as follows:

STATE OF ALABAMA,
EXECUTIVE DEPARTMENT,
Montgomery, September 22, 1932.

The PRESIDING OFFICER OF THE UNITED STATES SENATE,
Washington, D. C.

DEAR SIR: Pursuant to section 2 of House Joint Resolution No. 13, adopted by the Legislature of Alabama, ratifying a proposed amendment to the Constitution of the United States, fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress, I, as Governor of Alabama, herewith transmit to you a copy of said House Joint Resolution No. 13, duly certified as required by law.

Respectfully,

B. M. MILLER,
Governor of Alabama.

House Joint Resolution 13

Whereas both Houses of the Seventy-second Congress of the United States of America by constitutional majority of two-thirds thereof proposed an amendment to the Constitution of the United States which should be valid to all intents and purposes as a part of the Constitution of the United States when ratified by the legislatures of three-fourths of the States, which resolution is in words and figures following, to wit:

Joint resolution proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January and the terms of Senators and Representatives at noon on the 3d day of January of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January unless they shall by law appoint a different day.

"SEC. 3. If at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."

Now, therefore, be it

Resolved by the House of Representatives of the Legislature of Alabama (the Senate concurring therein):

SECTION 1. That said proposed amendment to the Constitution of the United States of America be, and the same is hereby, ratified by the Legislature of the State of Alabama.

SEC. 2. That certified copies of this preamble and joint resolution be forwarded by the governor of this State to the Secretary of State at Washington, D. C., to the Presiding Officer of the United States Senate, and to the Speaker of the House of Representatives of the United States.

A. M. TUNSTALL,
Speaker of the House of Representatives.

HUGH D. MERRILL,
Lieutenant Governor and Presiding Officer of the Senate.

Approved September 17, 1932.

B. M. MILLER, Governor.

THE STATE OF ALABAMA,
DEPARTMENT OF STATE.

I, Pete B. Jarman, Jr., secretary of state of the State of Alabama, having custody of the great and principal seal of said State, do hereby certify that the pages hereto attached contain a true, accurate, and literal copy of House Joint Resolution 13, approved September 17, 1932.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State, at the capitol, in the city of Montgomery, this 23d day of September, 1932.

[SEAL.]

PETE B. JARMAN, JR.,
Secretary of State.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Alabama, which was referred to the Committee on Banking and Currency:

House Joint Resolution 152

Whereas the price of corn, cotton, wheat, and other farm products has been, during the past several years, and is now, materially below the actual cost of production of said products; and

Whereas thousands of farmers in the United States obtained loans, secured by mortgages upon their homes and farms, from the Federal land banks at a time when the prices of farm products were materially higher than at the present time; and

Whereas many thousands of these farmers are now faced with foreclosure of the mortgages securing their loans and the consequent loss of their homes and farms because of conditions over which they have had no control: Now, therefore, be it

Resolved by the House of Representatives of Alabama (the Senate concurring), That we hereby memorialize and petition the Congress of the United States of America to enact such legislation at the next session of Congress as will give immediate relief to those farmers who are about to, or have already, lost their homes and farms, and to so deal with the question of farm mortgages that further foreclosures may be prevented; that lower interest rates may be provided and that, if need be, a moratorium of from three to five years be provided for on said loans in all cases in which it is reasonably made to appear that the borrower is unable to pay the installments on said loan. That the Governor of Alabama immediately upon the passage of this resolution transmit a duly authenticated copy of the same to the Speaker of the House of Representatives, the President of the United States Senate, and to each Congressman and United States Senator from Alabama.

Approved November 8, 1932.

THE STATE OF ALABAMA,
DEPARTMENT OF STATE.

I, Pete B. Jarman, Jr., secretary of state of the State of Alabama, do hereby certify that the pages hereto attached, contain a true, accurate and literal copy of House Joint Resolution 152, by Snodgrass, approved November 8, 1932, as the same appears on file and of record in this office.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State, at the capitol, in the city of Montgomery, this 8th day of November, 1932.

[SEAL.]

PETE B. JARMAN, JR.,
Secretary of State.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Illinois, which was referred to the Committee on Education and Labor:

House Resolution 5

Whereas there exists in America at present a condition of unemployment which is unprecedented in the history of our country, and many of the millions of our patriotic and loyal citizens who are suffering from unemployment are without sufficient food, shelter, and clothing; and

Whereas the American Federation of Labor has made a comprehensive study of the problems of unemployment and has submitted a legislative program to Congress which is designed to relieve this condition: Now, therefore, be it

Resolved by the house of representatives of the fifty-seventh general assembly at the third special session thereof, That the President of the United States and the Senate and House of Representatives of the present Congress be memorialized to enact legislation in so far as reasonably possible to carry out the program designed for unemployment relief which was recently submitted to Congress by the American Federation of Labor; and be it further

Resolved, That a copy of this preamble and resolution be forwarded to the President of the Senate and the Speaker of the House of Representatives of the present Congress, and to each Senator and Representative therein from the State of Illinois.

I hereby certify the foregoing to be a true copy of a resolution adopted by the House of Representatives of the State of Illinois on the 10th day of February, A. D. 1932.

GEO. C. BLAUER, Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the

State of Illinois, which was referred to the Committee on the Judiciary:

House Resolution 13

Whereas the Seventy-second Congress of the United States has convened and has many measures before it for consideration; and Whereas among the most important of these measures are those modifying or repealing the Volstead law and granting to the several States the power and authority to determine whether they shall legalize and permit the sale of light wines and beer; and

Whereas the governor of this State has convened the general assembly in special session, mainly for the purpose of enacting legislation to relieve owners of real property of the burden of taxation and providing new sources of revenue and to provide unemployment relief and agricultural relief; and

Whereas the people of this State have already voted overwhelmingly in favor of the legalization of light wines and beer; and

Whereas if the Congress of the United States would authorize this State to legalize and tax the sale of light wines and beer, a large amount of revenue would be derived from such tax, which the people of this State would willingly pay; and

Whereas the sale and taxation of light wines and beer in this State would produce a large amount of revenue annually and relieve the burden of the owners of real property, would furnish employment to thousands of unemployed, and would provide a market for large quantities of the surplus of farm products: Now, therefore, be it

Resolved by the House of Representatives of the Fifty-seventh General Assembly of the State of Illinois, That the President and Congress of the United States be memorialized to immediately enact legislation which will permit the several States to legalize and tax the sale of light wines and beer; and be it further

Resolved, That a copy of this preamble and resolution be forwarded to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the present Congress, and to each Senator and Representative therein from the State of Illinois.

I hereby certify the foregoing to be a true copy of a resolution adopted by the House of Representatives of the State of Illinois on the 27th day of April, A. D. 1932.

GEORGE C. BLAUER,
Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of Puerto Rico, which was referred to the Committee on Territories and Insular Affairs:

Resolución concurrente para solicitar del Congreso de los Estados Unidos que autorice a la Asamblea Legislativa de Puerto Rico a legislar en materia de prohibición

Por cuanto, existe ambiente favorable, tanto en Puerto Rico como en la mayoría de los estados de la Unión Americana, en favor de la derogación de la ley de prohibición en vigor, o de su alteración en forma tal que permita la libre venta de licores suaves;

Por cuanto, el Congreso de los Estados Unidos de América habrá de reunirse en su sesión corta de diciembre, y dado el ambiente existente, es factible que se adopten medidas tendientes a conseguir dicha derogación o alteración de la ley prohibicionista, y de conseguirse alguna medida aplicable a Puerto Rico, gozaría el país desde ahora de las ventajas consiguientes a la aprobación de la misma;

Por cuanto, es una necesidad imperiosa en Puerto Rico arbitrar recursos para el sostenimiento de las cargas del gobierno, sin aumentar la contribución territorial ni ninguna otra de las que en la actualidad soporta el contribuyente del país; y la derogación o alteración de dicha Ley de Prohibición traería como secuela inmediata la entrada de importantes cantidades con las cuales solventar los déficits del erario público: Por tanto

Resuélvese por la Cámara de Representantes con la concurrencia del Senado de Puerto Rico:

Primero. Solicitar del Congreso de los Estados Unidos de América la aprobación de legislación facultando a la Asamblea Legislativa de Puerto Rico para legislar libremente en materia de prohibición, de acuerdo con los mejores intereses de El Pueblo de Puerto Rico.

Segundo. Solicitar del Honorable Gobernador de Puerto Rico y del Comisionado Residente en los Estados Unidos que presten su cooperación o influencia para el éxito de los objetivos que informan esta solicitud, interesando a los líderes del Congreso en los propósitos y fines de esta resolución.

RAFAEL ALONZO TORRES,
Presidente, Cámara de Representantes.
L. SANCHEZ MORALES,
Presidente, Senado de Puerto Rico.

GOVERNMENT OF PUERTO RICO,
BUREAU OF TRANSLATIONS,
San Juan, P. R., November 15, 1932.

Hermínio Padial, chief of the bureau of translations of the Legislature of Puerto Rico, hereby certifies to the Governor of Puerto Rico, and George W. Roberts, assistant chief of the said bureau, certifies to the president of the Senate and to the speaker of the House of Representatives of Puerto Rico that each of them has duly compared the English and Spanish texts of a certain act (H. C. R. 1) of the fifth special session of the Twelfth Legislature

of Puerto Rico entitled "Concurrent resolution requesting the Congress of the United States to authorize the Legislature of Puerto Rico to legislate in the matter of prohibition," and finds that the same are full, true, and correct versions of each other.

H. PADIAL,
Chief, Bureau of Translations.
GEO. W. ROBERTS,
Assistant Chief, Bureau of Translations.

[Translation]

Concurrent resolution requesting the Congress of the United States to authorize the Legislature of Puerto Rico to legislate in the matter of prohibition

Whereas in Puerto Rico as well as in the majority of the States of the American Union there is a favorable atmosphere for the repeal of the prohibition law in force or for its modification in such form as to allow the free sale of mild liquors;

Whereas the Congress of the United States of America will meet in short session in December, and given the existing atmosphere it is possible that measures will be adopted tending to obtain said repeal or modification of the prohibition law, and should a measure applicable to Puerto Rico be enacted the island would from the present moment enjoy the advantages consequent upon the approval of such measure;

Whereas it is imperiously necessary in Puerto Rico to raise means to meet government expenses without increasing the land tax or any other tax now burdening the taxpayers of the country, and the repeal or modification of said prohibition law would result in the immediate receipt of important amounts wherewith to meet the deficits of the public treasury: Now, therefore, be it

Resolved by the House of Representatives (the Senate of Puerto Rico concurring):

First. To request the Congress of the United States of America to enact legislation empowering the Legislature of Puerto Rico to legislate freely in the matter of prohibition, according to the best interests of the people of Puerto Rico.

Second. To request the Governor of Puerto Rico and the Resident Commissioner in the United States to lend their cooperation and influence to the success of the objectives informed by this resolution by interesting the leaders of Congress in the purposes and ends hereof.

RAFAEL MOUTO TORRES,
Speaker House of Representatives.
L. SANCHEZ MORALES,
President of the Senate.

The VICE PRESIDENT also laid before the Senate a petition of sundry citizens of the United States, praying for the passage of legislation to regulate production by labor-saving machinery, which was referred to the Committee on Education and Labor.

He also laid before the Senate the petition of J. C. Lang, of Minneapolis, Minn., praying for the enactment of legislation to better safeguard creditor interests under the national bankruptcy act, which was referred to the Committee on the Judiciary.

He also laid before the Senate memorials of citizens of the States of Kansas, Missouri, New York, Massachusetts, California, and Pennsylvania remonstrating against the repeal of the national prohibition amendment to the Constitution or the modification of the prohibition enforcement act so as to permit the manufacture and sale of beer and wine, which were referred to the Committee on the Judiciary.

He also laid before the Senate the petition of American Legion Post No. 43, of Patillas, P. R., praying for the repeal of the national prohibition amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted at New York City by the United Restaurant Owners' Association (Inc.), of the State of New York, praying for the modification of the prohibition enforcement act so as to permit the sale of beer and light wines, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution of the city council of the city of Cambridge, Mass., favoring the enactment of legislation to legalize the manufacture and sale of beer with a 4 per cent alcoholic content, which was referred to the Committee on the Judiciary.

He also laid before the Senate the petition of the United Victims of Ginger Paralysis Association, of Oklahoma City, Okla., praying for an investigation of the sale of a pharmaceutical preparation labeled "fluid extract of ginger, U. S. P.," which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a plan for legislation to control the production and surplus of agricultural products

prepared by John Vaaler, of Crosby, N. Dak., which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution adopted by the Kiwanis Club of Milwaukee, Wis., favoring the ratification of the Great Lakes-St. Lawrence seaway treaty with Canada, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a memorial of the Bar Association of Hawaii, of Honolulu, Hawaii, remonstrating against the passage of Senate bill 4311, to consolidate the Territorial and Federal courts and administration in the Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate a resolution adopted at Milwaukee, Wis., by the National Commandery Naval and Military Order of the Spanish-American War, favoring the making of adequate appropriations for the maintenance of the Army and Navy, which was referred to the Committee on Appropriations.

He also laid before the Senate petitions of sundry citizens and organizations of the several States praying the making of an appropriation for winter relief and immediate unemployment insurance from the Federal Government, which were referred to the Committee on Appropriations.

He also laid before the Senate the petition of John H. Taws, of Philadelphia, Pa., praying for the regulation of motor trucks and busses and remonstrating against subsidizing water and other forms of transportation, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by the Council of the Seneca Nation of Indians, held on the Allegany Indian Reservation in the State of New York, requesting copies of legislation affecting the Seneca Nation, which was referred to the Committee on Indian Affairs.

He also laid before the Senate a communication from Edward Melve, of Souderton, Pa., amending his petition praying for a congressional investigation of his claim as the first inventor of the wireless telephone, which was referred to the Committee on Patents.

He also laid before the Senate resolutions adopted at Boston, Mass., by the National Council of State Garden Club Federations, favoring the passage of legislation to establish the Everglades National Park in Florida, the Ouchita National Park in Arkansas, and to prevent injury to grazing lands and stabilize the livestock industry dependent upon public ranges, which were referred to the Committee on Public Lands and Surveys.

He also laid before the Senate the petition of Moses M. Ashley, of Long Island City, N. Y., praying for the passage of legislation imposing a tax on machinery, which was referred to the Committee on Finance.

He also laid before the Senate the memorial of Magnet Lodge, No. 227, Brotherhood of Locomotive Firemen and Enginemen, of Binghamton, N. Y., remonstrating against the curtailment of benefits accorded to war veterans, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the National Hardwood Lumber Association at Chicago, Ill., favoring the exclusion of importations from Soviet Russia, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the United Irish-American Societies of New York and the Second Oregon Volunteer Infantry Reunion Association of the Spanish-American War, of Portland, Oreg., remonstrating against the reduction or cancellation of debts due the United States from foreign countries, which were referred to the Committee on Finance.

He also laid before the Senate resolutions adopted at the annual session of the Order of United Commercial Travelers of America, favoring the imposition of a manufacturers' sales tax and the enactment of legislation to provide a fund to be known as the manufacturers' relief fund to enable manufacturers to make loans for the operation of their factories and business, which were referred to the Committee on Finance.

He also laid before the Senate a plan for unemployment relief of Henry Woodhouse, of New York City, by means of

loans to States through the Reconstruction Finance Corporation, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted at Kingsburg, Calif., by the League of Municipalities of the South San Joaquin Valley, favoring economies in the operation of the National Government and the enactment of legislation to prevent disastrous fluctuations in credit, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a plan of Murray Kay, of New York City, to raise money for unemployment relief and for the reduction of the public debt, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution of the League of Wisconsin Municipalities, adopted at Menasha, Wis., favoring the enactment of legislation to grant cities, villages, and counties the privilege of depositing their bonds and securing currency so as to reduce the interest payments on their public debt, which was referred to the Committee on Banking and Currency.

He also laid before the Senate the petition of Mrs. E. Nordlander, of Chicago, Ill., praying for relief from foreclosure of mortgage and the sale of her home for taxes, which was referred to the Committee on Banking and Currency.

He also laid before the Senate petitions of the Ada (Ohio) branch of the American Association of University Women and the Synod of the Reformed Presbyterian Church of North America, of Greeley, Colo., praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also laid before the Senate a resolution adopted at French Lick, Ind., by the Grain and Feed Dealers National Association favoring an investigation of the activities of the Federal Farm Board and the methods of trading in grain on exchanges, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Dan Colello Association (Inc.), of Jersey City, N. J., favoring the reelection of Herbert Hoover and Charles Curtis as President and Vice President, respectively, of the United States, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Invincible Club, of New York State, favoring the reelection of Herbert Hoover and Charles Curtis as President and Vice President, respectively, of the United States, which was ordered to lie on the table.

He also laid before the Senate a resolution of condolence on the death of Hon. Wesley L. Jones, late a Senator from the State of Washington, adopted by the Women's King County Republican Club, of Seattle, Wash., which was ordered to lie on the table.

He also laid before the Senate a telegram from the national secretary of the John Reed Clubs of the United States and the chairman of a mass meeting of workers in the Bronx, respectively, of New York City, favoring the reception in Washington without molestation of the so-called hunger marchers, which was ordered to lie on the table.

He also laid before the Senate memorials of sundry citizens of the United States remonstrating against the enactment of legislation providing for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

He also laid before the Senate a letter from the Secretary of War, transmitting a resolution adopted by the Planters Association of Barotac-Dumangas (Inc.), Barotac Nuevo, Iloilo, P. I., protesting against the passage of legislation restricting the free entry of Philippine products into the United States, which, with the accompanying resolution, was ordered to lie on the table.

He also laid before the Senate resolutions of the municipal government of Burgos, Province of Ilocos Norte, P. I., and the legislative commission from the Philippines in the United States, favoring the immediate independence of the Philippines, which were ordered to lie on the table.

He also laid before the Senate a cablegram from Emilio Aguinaldo, president of the Philippine Veterans' Association, of Manila, P. I., relative to relations to be maintained be-

tween the Governments of the United States and the Philippine Islands during the period prior to complete independence, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted at San Francisco, Calif., by the Northern Baptist Convention, favoring the Federal supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

Mr. WALCOTT presented the petition of Frank W. Gray, pastor, and sundry members of the Methodist Episcopal Church of East Hartford, Conn., praying for the passage of House Joint Resolution 320, proposing a constitutional amendment to prohibit sectarian appropriations, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Women's Society of the First Baptist Church, of Bristol, Conn., protesting against the passage of legislation to legalize any form of intoxicating liquors, and favoring the retention and strict enforcement of the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also presented a memorial of members of the Methodist Episcopal Church, of South Manchester, Conn., remonstrating against the passage of legislation to repeal or modify the Volstead Act and the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Women's Home Missionary Society of the Methodist Church, of Milford, Conn., favoring the passage of legislation for the Federal supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

He also presented resolutions adopted by the Washington Park Auxiliary of the Woman's Home Missionary Society, of Bridgeport; the Woman's Home Missionary Society of the Methodist Church, of Milford; and the New England Regional Conference of the National Council of Jewish Women, of Hartford, all in the State of Connecticut, favoring the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented petitions of the following American Legion Auxiliary units: Taftville, No. 104, Taftville; Seicheprey, No. 2, Bristol; Gensi-Viola, No. 36, Windsor Locks; Milford, No. 34, Milford; Treadway-Cavanaugh, No. 64, East Hampton; Coyle Post, No. 1, Waterbury; Robert O. Fletcher, No. 4, Norwich; William H. Gordon, Ansonia; Woodstock, No. 111, Woodstock; Meriden, No. 45, Meriden; Dilworth-Cornell, No. 102, Manchester; Ernest Godreau, No. 91, Moosup; Westbrook unit, Westbrook; Lamson-O'Donnel, No. 46, Goshen; Gray-Dickinson, No. 59, Windsor; Morgan-Weir Post, No. 27, Litchfield; Eddy-Glover, No. 6, New Britain; YD Unit, No. 130, New Haven; Carlson-Sjovall, No. 105, Cromwell; Harry G. Faulk, No. 113, Old Saybrook; Ezra Woods, No. 31, New Milford; Brown-Landers, No. 77, East Hartford; Stanley Dobasz, Rockville; Emil Senger, No. 10, Seymour; Robert A. LaPlace, No. 18, Essex, second and fourth districts, all in the State of Connecticut, praying for the passage of House bill 4633, the so-called widows' and orphans' pension bill, which were referred to the Committee on Pensions.

Mr. COPELAND. Mr. President, I have here memorials, largely from the church people of my State, which have been given me by Mrs. D. Leigh Colvin, president of the New York Woman's Christian Temperance Union. She has classified them. I find that there are 48,653 signatures, representing every county in my State; and I ask that they be referred to the Committee on the Judiciary.

The VICE PRESIDENT. The petitions will be received and so referred.

The memorials above referred to, numerous signed by sundry citizens of the State of New York (presented by Mr. COPELAND), remonstrating against the passage of legislation legalizing alcoholic liquors stronger than one-half of 1 per cent, were referred to the Committee on the Judiciary.

Mr. COPELAND also presented the memorial of E. J. Ruliffson and sundry other citizens of Mayfield, N. Y., remonstrating against the repeal or resubmission of the

eighteenth amendment of the Constitution or the passage of any legislation weakening its enforcement, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Utica, N. Y., praying for the adoption of the so-called "stop alien representation" amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by Copake Grange, No. 935, Patrons of Husbandry, of Copake, N. Y., praying for the passage of legislation effecting a moratorium on all farm mortgages for the next three years, which were referred to the Committee on Banking and Currency.

He also presented petitions of sundry church missionary societies in the State of New York, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented petitions of sundry church missionary societies in the State of New York, praying for the Federal supervision and regulation of the motion-picture industry, which were ordered to lie on the table.

AGRICULTURAL RELIEF

Mr. COPELAND. Mr. President, I have a letter from the Corn Exchange of Buffalo, N. Y., inclosing a statement issued by authority of that organization in opposition to the so-called allotment plan. This is so well written that I ask that it be printed in the Record and then referred to the Committee on Agriculture and Forestry.

There being no objection, the letter and statement were referred to the Committee on Agriculture and Forestry and ordered to be printed in the Record, as follows:

BUFFALO, N. Y., December 5, 1932.

Hon. ROYAL S. COPELAND,

Senate Office Building, Washington, D. C.

DEAR SENATOR COPELAND: We inclose herewith copy of statement issued by the undersigned organization in opposition to the Hope bill, H. R. 12918; also Norbeck bill, S. 4985, companion measures offered as a relief to agriculture, and styled "Voluntary Domestic Allotment Plan."

The above measures were introduced during the closing days of the last session of Congress and it is expected will be brought forward for consideration at the present session.

In view of the wide publicity given to the question of farm relief legislation as proposed in the measures referred to, it is possible that entirely new measures, by either the same or different sponsors, may be introduced.

Our objections are aimed against the unsoundness and impracticability of the basic principles involved in the voluntary domestic allotment plan or to any other governmental activity through any means whatsoever seeking to regulate, stabilize, or fix the price of commodities or to artificially control production.

We urge your most careful analysis of the particular bills referred to, as well as any new measures that may be introduced along these lines.

Very respectfully yours,

THE CORN EXCHANGE OF BUFFALO.
FRED E. POND, Secretary.

[Inclosure]

STATEMENT ISSUED BY AUTHORITY OF THE BOARD OF DIRECTORS OF THE BUFFALO CORN EXCHANGE, BUFFALO, N. Y., OPPOSING NORBECK BILL, S. 4985, AND HOPE BILL, H. R. 12918

The Corn Exchange of Buffalo is opposed to legislation of the nature of the voluntary domestic allotment plan as proposed in Norbeck bill, S. 4985, and Hope bill, H. R. 12918, or to any suggested governmental activity setting forth principles of similar character.

Briefly, the voluntary domestic allotment plan proposes to establish a tariff (tax against the American consumer) effective on farm products of which there is an exportable surplus.

It is a proposed legislative effort to stabilize the price of agricultural commodities—wheat, cotton, etc.—at or near the pre-war exchange value for farm products.

The plan, to become operative, must be requested by at least 60 per cent of the producers of any farm product of which there is an exportable surplus. Whereupon the Federal Government agrees to collect from the processors—flour millers, packers, etc.—through an excise tax, to be ultimately charged against the cost of commodities, for the amount of the tariff on all of the products processed for domestic human consumption.

The tax thus collected, less Government cost of administration, would be allotted to and paid each year to the producers, parties to the agreement, in the proportion of the average production of each participating producer, based on the preceding five years' yield.

The conditions under which the producer is to participate in this allotment (Government bounty) is that he shall sign a contract with the Government, at the beginning of each allotment year, wherein he agrees to such horizontal reduction in his production,

in acres to be planted or pounds of livestock to be marketed, as shall be dictated by the Federal administrative agency.

The plan proposes Federal legislation to stabilize the price of agricultural commodities through reduced production by offering an incentive therefor through the medium of money compensation in the form of special taxation against the body politic.

We submit the following objections to the voluntary domestic allotment plan with the view of attracting congressional attention to these proposals, the careful perusal of which instantly portrays the unsound and theoretical premise upon which they are based. A careful reading of the proposed measures will, we believe, expose the impracticability of the principles set forth:

First. The fundamentals of the proposed plan do not savor of the principles of legislation as bespeaks the high dignity and sound judgment of our Government in seeking to protect the interests of all of the people without special favor to preferred classes.

Second. It is contrary to the principles of the United States Constitution which grants power only to "lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States." This plan of taxation would necessarily be a special tax for the benefit of a limited group of producers, or a series of special taxes for special preferred groups.

Third. The voluntary domestic allotment plan represents the payment of a Government bounty in the form of special taxation against the consumer through increased cost of commodities, to be contributed (less Government expense of operation) to special classes of producers to curtail production in order to avoid price depressing surpluses, thereby attempting to create a basis for price stimulation. It is offering gratuity to the producer to render aid to himself, whereas the means of relief from depressed conditions is within his power, right, and duty to render to himself through the exercise of his will and agencies at his own command.

Fourth. It is a proposal to artificially accomplish the results which would naturally attain from the normal application of the economics of demand and supply. It is impractical in that it offers no sound fundamental basis upon which to develop and maintain a permanent structure for the growth, control, and disposition of commodities.

Fifth. The plan creates a stimulus to develop new fields for agricultural production in order that the producer may qualify as a recipient of the cash bounty at the expense of the consumer. This stimulates production and defeats the purpose of the project.

Sixth. The proposals are a verification of the fallacies of the United States agricultural marketing act of 1929 as an aid to the American farmer in the attempt of the United States Government to stabilize prices of agricultural products in contravention of the operation of the law of supply and demand. This proposed legislation is an offer of the Government to legislate a bounty to be paid to the producer in the form of a special tax assessed against the American taxpayer provided the producer will reduce his acreage planted to farm products according to specific limitations ordered by the Government.

Seventh. Basically, the enactment of the voluntary domestic allotment plan would not be legislation—it would constitute an agreement or an arrangement between the United States Government and a limited portion of its receptive-minded citizens engaged in agriculture whereby the Federal Government assumes the initiative in setting up a special tax against the American householder; becomes the tax-collection agency against all of its people; and remits the proceeds of the tax to the selected few producers who agree to minimize their agricultural activities under Government dictation and regulation.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AUSTIN:

A bill (S. 5059) to extend the time for completion of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt.; to the Committee on Commerce.

By Mr. COHEN:

A bill (S. 5060) granting a pension to Clarence Allen; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 5061) granting an increase of pension to Elizabeth Burrell (with accompanying papers);

A bill (S. 5062) granting an increase of pension to George Neill (with accompanying papers);

A bill (S. 5063) granting an increase of pension to Susie D. Hanscome (with accompanying papers);

A bill (S. 5064) granting an increase of pension to Margaret Thompson (with accompanying papers);

A bill (S. 5065) granting an increase of pension to Charlotte W. Stevens (with accompanying papers);

A bill (S. 5066) granting an increase of pension to Clara A. Colby (with accompanying papers);

A bill (S. 5067) granting a pension to Angie L. Moulton (with accompanying papers); and

A bill (S. 5068) granting a pension to Alice L. Preston (with accompanying papers); to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 5069) granting a pension to Richard R. Denton (with accompanying papers);

A bill (S. 5070) granting an increase of pension to Margaret Jane Loar (with accompanying papers);

A bill (S. 5071) granting an increase of pension to Polly Fuller (with accompanying papers); and

A bill (S. 5072) granting an increase of pension to Lucy Montgomery (with accompanying papers); to the Committee on Pensions.

By Mr. ASHURST:

A bill (S. 5073) providing for a mine rescue station in Arizona; to the Committee on Mines and Mining.

By Mr. KEYES:

A bill (S. 5074) for the refund of customs duty paid by Salvatore Lascari on an importation of mosaic paintings for the Moody Currier Art Gallery in Manchester, N. H.; to the Committee on Finance.

By Mr. HASTINGS (for Mr. HEBERT):

A bill (S. 5075) to provide protection by registration of designs for textiles and other materials; to the Committee on Patents.

By Mr. WHEELER:

A bill (S. 5077) to extend the time of payment of certain loans made to farmers by the Secretary of Agriculture; to the Committee on Agriculture and Forestry.

By Mr. WALSH of Massachusetts:

A bill (S. 5078) granting an increase of pension to Lucy J. Whipple (with accompanying papers); to the Committee on Pensions.

By Mr. DALE:

A bill (S. 5079) granting an increase of pension to Sarah E. Harran (with accompanying papers);

A bill (S. 5080) granting an increase of pension to Eola E. Manley (with accompanying papers); and

A bill (S. 5081) granting an increase of pension to Eliza C. Lower (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 5082) for the relief of the Community Investment Co. (Inc.); to the Committee on Claims.

A bill (S. 5083) for the relief of Wilson G. Bingham; to the Committee on Finance.

A bill (S. 5084) granting a pension to Edward E. Harding; to the Committee on Pensions.

By Mr. NORBECK:

A bill (S. 5085) for the relief of Leslie Jensen; to the Committee on Claims.

FEDERAL HOME-LOAN BANKS

Mr. BORAH. Mr. President, I desire to introduce a bill, and I ask permission of the Senate to make a brief statement with regard to it.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator is recognized.

Mr. BORAH. Mr. President, this is a bill to repeal an act to create the Federal home-loan bank, excepting therefrom section 29.

I introduce this bill with the sincere desire to bring this matter to the immediate attention of the Congress.

In my opinion the act has proven, and will continue to prove, wholly unsatisfactory. It is not reaching and, in my judgment, will not reach the home owner or those who are really in need of assistance, those who should have help if the Government is going to enter into the matter at all.

During the discussion of this matter the question was brought up as to whether it would reach the home owner and prove of any real benefit to him.

I read briefly from the CONGRESSIONAL RECORD, reporting the debates upon this bill when it was being considered in the Senate:

Mr. BORAH. I suppose the thing in which we are all interested is having a bill which will reach the home owner. * * * The gentleman appearing before the committee from whom the Senator from Michigan [Mr. COUZENS] read, Mr. Adams, says this bill does not comply with the President's idea and that it will not benefit the small home owner. To my mind, we ought to stop right here and settle that question. If there is a way to reach the small home owner and to know we are going to reach him, above all things in the world, we want to know that fact.

As the result of that discussion, in which a number of Senators took part, the Senator from Michigan [Mr. COUZENS] proposed an amendment to the bill which it was thought would give it some real beneficial effect in that respect; but the manner in which it is being administered, the rules which have been adopted, and the observations which I have been able to make, convince me that the law must be either repealed or drastically amended. My own judgment is that it can not be amended so as to be effective; but I have introduced the bill for repeal, desirous of bringing both propositions to the consideration of Congress.

I desire to read here a circular which has been issued by the Home Loan Bank of Portland. In this circular it is said:

Those desiring first-mortgage loans on homes should first call the building and loan associations, savings and loan associations, agents of insurance companies, or other mortgage-lending institutions in their localities. Where such eligible institutions require additional funds to lend on first mortgages, they may obtain it by joining the Federal home-loan bank system. In States where the laws do not permit otherwise eligible institutions to purchase stock and join the system steps are being taken to amend the laws at approaching legislative sessions.

There may be a minor exception to the above statement—

This refers to the Couzens amendment—

but its extent is not yet determined. An amendment was included in the law to make sure that home owners are served by the member institutions. Under this clause the Home Loan Bank of Portland may consider direct applications for home loans from individuals, if the existing home-lending agencies do not meet legitimate needs. A policy on that point will be established after the eligible institutions have first had an opportunity to serve. It is now known, however, that if the bank eventually makes any such loans, they will be limited to 40 per cent of the fair appraisal on homes occupied by the owner who can show his ability to make regular payments.

I feel very certain, Mr. President, that we are going to build up a tremendous institution at very great expense to the Government without any real benefit to the home owners and home builders in the United States.

The VICE PRESIDENT. The bill will be received and properly referred.

The bill (S. 5076) to repeal "An act to create Federal home loan banks, to provide for the supervision thereof, and for other purposes," approved July 22, 1932, was read twice by its title and referred to the Committee on Banking and Currency.

Mr. COPELAND. Mr. President, I ask unanimous consent, because I know it will be out of order otherwise, to say a word in reply to what the Senator from Idaho has said.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. COPELAND. Mr. President, as one who has long been in favor of this home-loan bank plan, I recognize with regret that the law has accomplished very little, if anything, up to this moment.

There were those of us who took part in the debate who pointed out the unwisdom, if I may use that word, of having national banks participate in the benefits of this act, or of having national bankers share in its operations. The matter of home loans of necessity involves a long-term amortized mortgage. The whole theory of such loans is obnoxious to the national banker.

I think the President of the United States made a great mistake in his organization of the Home Loan Bank board of directors. He placed upon this board two national bankers. He made a national banker the chairman of the board. There has not been that anxiety that there should have been on the part of the building and loan associations to cooperate because of their disappointment over the personnel of the board.

I could say even more than that, but I do not want to be disagreeable. I simply hint at the possibility that the chairman of the board has been too active in the last few months in other enterprises than in this particular one.

Mr. President, in my opinion, this system has in it the possibility of great use to the country. I think it would be a mistake for us now to repeal this law. We should give the building and loan associations an opportunity to demonstrate their support of the plan. They should be given an opportunity to demonstrate the possibility of good in the measure. They have not had that as yet.

Further, as was pointed out in the debate here, there are many States, including my own State, under whose laws it is not possible for the building and loan associations to participate. Effort is being made by building and loan associations in New York State to have the New York State law amended so that they can participate. That is true of many other States of the Union.

Before these associations have had an opportunity to show their real attitude toward this measure, until the organization itself has had an opportunity untrammelled by the particular personnel in charge, it would seem to me a very wrong thing for us to take a back step now. I sympathize in many ways with what the Senator from Idaho has said, realizing that there are individuals who need to have a place where they can go for funds. Yet I do think it would be a great mistake for us now, before we have given the law a chance to show its value, to repeal it; and I hope that will not be done.

Mr. KING. Mr. President, I would like to ask the Senator from New York if the primary reason why many of these building and loan associations have not sought to cooperate with the Federal organization is because the latter, exercising some proper sagacity and a desire to protect the Treasury of the United States, refused to permit them to unload upon the parent organization much of the rubbish, frozen assets, and poor loans which were made and held by some of these organizations?

Mr. COPELAND. Mr. President, I am very happy to answer that, and I think I can answer it. Building and loan associations have not unloaded, if for no other reason than because the organization has not had any money. It is only within the last few days that they have been prepared to make loans. Certainly, so far as the bank in my district, located at Newark, N. J., is concerned, it is only within the last few days that they have been ready to do business. So, of course, nothing has been "unloaded" upon that board, whether the securities were good or bad.

Mr. DILL. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. DILL. I want to ask the Senator whether he does not think, in light of the experience we have had, that had we retained the amendment whereby \$400,000,000 would have been available to the home owners of this country, we really would have done much more service than we have done by the present plan?

Mr. COPELAND. Frankly, up to this moment I would say yes; there would have been greater benefit from the Couzens plan than by the other plan. But had the other plan been put into effect promptly, as we had a right to believe it would be, it would have been infinitely better than the Couzens plan.

Mr. DILL. I want to say to the Senator that it is impossible to put the present plan into effect in his own State or in the State of Washington. Had we kept the Couzens amendment, this law would have been in operation and the home-loan banks could have loaned money to home owners; but reconsideration by the Senate, and the taking out of that \$400,000,000 provision embodied in the amendment of the Senator from Michigan, absolutely destroyed the usefulness of this legislation, so far as the emergency up to this time has been concerned.

Mr. COPELAND. Mr. President, let me say to the Senator from Washington that at the present time loans can be had from the Reconstruction Finance Corporation to do the thing about which the Senator speaks.

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Florida?

Mr. COPELAND. I yield.

Mr. FLETCHER. Can the Senator give us an idea about how much time ought to be required for this board to organize and get to work? They have had six months. For six months now the board has been incurring expense, with all its bureau personnel, and that sort of thing, and up to this time nothing has been accomplished for the benefit of the home owner. How much more time does the Senator expect it will take the board to begin operation at all? We have been told that the home owners are being benefited, homes are being saved in foreclosure, and all that sort of thing; but not a single loan has been made, though six months have elapsed. How much more time is needed?

Mr. COPELAND. Mr. President, I want to answer the Senator; and in order to do so and make my answer truly responsive, I must say what I did not want to say. I do not want the word "politics" to enter into the discussion of any measure we may have before us this winter. In my opinion, the condition of this country is such that, whether a man is a Republican or a Democrat or a Prohibitionist, or whatever he may be, he ought to be on his knees every day praying to Almighty God that the Democratic Party, coming into power, shall succeed. I am confident it will succeed. But if it does not, and if we have a year or two of continuing and even greater depression, no man knows what will happen to the United States Government, and every man here knows that that statement is the exact truth.

I did not want to have the word "politics" enter into this matter, but the fact is the President of the United States appointed a man as chairman of this board who is most widely known as a politician. He has spent much of his time during these weeks, when the board ought to have been operating, in working for the election of his ticket. That is what has happened. This board has not had a fair chance, because its "lame-duck" chairman has been devoting his time and thought to other matters, rather than the interests of this great enterprise, which has in it so much of human significance.

I did not want to say that, and I tried to avoid saying it. But simple justice demands that the country should know that this board has not had its opportunity. It would be outrageous for us, as I see it, to think of repealing the law before the men who are on the board in lesser position and of lesser political influence shall have an opportunity to see whether it can not be made the useful agent for good which we anticipated.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. COPELAND. I yield.

Mr. COUZENS. I do not want to have the Senator charge all the responsibility upon the president of the board. Yet I make no defense of him, because I know he was campaigning when he ought to have been running his job.

Mr. COPELAND. Pardon me; I am not talking about the President of the United States.

Mr. COUZENS. I know that.

Mr. COPELAND. I am talking about the president of the Home Loan Bank Board.

Mr. COUZENS. I understand. I say that the chairman of the board was campaigning when he ought to have been attending to the job for which he was being paid. But I do not want the responsibility all to fall upon him. An analysis of the careers of the other members of the board, and their associations and activities prior to the passage of the act, ought to have indicated to the Senator that the responsibility was upon the whole board, and not upon one member of the board.

Mr. COPELAND. I realize there may be some truth in what the Senator says. Nevertheless, the chairman of the board is the general of the army. If there had been at the head of this board a building and loan man who had just one thought, namely, the success of this home-loan bank, and the carrying out of the ideals of the building and loan

associations of this country, I think there would have been a different picture to-day. I grant that the picture is not a pleasant one at the present time. But at last the board has organized, they have opened the banks, at least the one in my district has been opened, and they have some money and will begin to make loans.

Mr. COUZENS. Mr. President, will the Senator yield again?

Mr. COPELAND. I yield.

Mr. COUZENS. I think the Senator is quite correct with respect to the board making some new loan to some home owner who has no mortgage on his property now, but I want to say that there is not a chance in a million to make any loan under the existing law to the home owner whose mortgage is in default, or about to become in default, and I defy the Senator to point out one paragraph in the act which would permit the accomplishment of that very desirable end.

Mr. COPELAND. Mr. President, we went all through that debate at the time the bill was before the Senate. But I am here to say now that, in my opinion, if this board will function, if it will put into practical application what the law provides, loans will be made and homes will be saved. Certainly, that is a very necessary thing, even more necessary now than it was when we debated the bill a few months ago.

Mr. GLASS. Mr. President, with the permission of the Senate, I merely want to say that, being a member of the Committee on Banking and Currency, I do not want altogether to prejudge the proposition presented by the distinguished Senator from Idaho [Mr. BORAH]; but I do want to call attention to the fact that the Senate was impressed with the idea that insurance companies, mortgage companies, banks, and real-estate associations, and all of the organizations eligible under the text of the law were standing ready and eager to run over one another to subscribe to the stock of this home-loan bank. As a matter of fact, the subscriptions were of such a meager nature that they have not enough in subscriptions, let alone in payments, to establish as many as 2 of the 12 banks. To my mind, unless I may be convinced to the contrary, that alone shows the fallacy and the folly of enacting this law. I voted against it; and unless somebody gives me some cogent reason for doing otherwise, I shall vote to repeal it.

I resent the assumption that no one in public life is a business man, or capable of conducting business organizations. Mr. Fort is a business man, a man of exceptional intelligence. His only dereliction in that respect was the supposition that he might reelect the President. But he is a business man, and a successful business man; and he is just as capable, in my judgment, of conducting the affairs of this innocuous institution as mostly any other man would be. I do not think any man is capable of making a success of it.

FURLOUGH OF FEDERAL EMPLOYEES

Mr. ROBINSON of Indiana. Mr. President, I ask unanimous consent to have inserted in the RECORD a resolution adopted by the Pittsburgh Central Labor Union protesting against the continuance of the furlough provision in the economy law.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

PITTSBURGH CENTRAL LABOR UNION,
Pittsburgh, Pa., December 1, 1932.

The Hon. ARTHUR R. ROBINSON,
Washington, D. C.

DEAR SENATOR: At a meeting of the Pittsburgh Central Labor Union, held at Pittsburgh, Pa., on December 1, 1932, the following resolution was adopted:

"Whereas the average salary of Federal employees is approximately \$1,440 per year, it is undeniable that this salary is earned and that its total expenditure is required to even approach the American standard of life. It all goes back into trade to keep the wheels of industry in motion. Under the guise of balancing the Budget, an attempt, which failed in the House, was made in the last session of Congress to reduce this meager average allowance. It was actually accomplished later by the enactment of the furlough provision in the economy law, which reduced earnings by one-twelfth. This roundabout method was defended on the

ground that it was not a salary reduction. Wage standards were preserved by this process, it was asserted. Moreover, the fact that it was merely an emergency law and limited to one year was strongly stressed. We protested, at that time, against this policy of unbalancing the budgets of 700,000 American families. Anticipating its blighting effect on general business and the inevitable diminished returns in Federal taxation, we predicted that this un-American procedure would not add one cent to our National Treasury. Our claims have, so far, been proved by its operation; and

"Whereas persistent efforts, backed by powerful interests, are now urging an extension of the furlough law through the fiscal year 1934, which clearly indicates piecemeal permanence, we again enter our solemn protest against wage slashing on the part of the Government, a policy which has never been resorted to in the past. It will sound the alarm in trumpet tones to the Nation that the economic depression is permanent, with the undoubted result that employers in private industry will still further reduce wages; and

"Whereas this policy, if pursued by those in charge of legislation, will lead to a diminished volume of general business, a sharp descent in commodity-price levels, and a restriction in consumption all along the line, this would prove a fatal blow aimed at returning confidence and mounting purchasing power. It would retard progress and, instead of hastening the return to prosperity, would sink us deeper into the slough of despondency and still further depress the depression: Therefore be it

"Resolved, That we earnestly request that you put forth your best efforts to prevent a continuance of the furlough provision in the economy law beyond the present fiscal year, thus sending out to the country a note of hope instead of one of despair."

Sincerely,

P. T. FAGAN, President.
P. J. McGRATH, Secretary.

BLANKETING OF EMPLOYEES INTO THE CIVIL SERVICE

Mr. McKELLAR. Mr. President, I have in my hand correspondence between myself and the chairman of the Civil Service Commission in reference to blanketing certain employees into the civil service, and I desire to have the correspondence printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

NOVEMBER 25, 1932.

Hon. THOMAS E. CAMPBELL,

Civil Service Commission, Washington, D. C.

MY DEAR MR. CHAIRMAN: I have been informed that numerous bodies of men have recently been blanketed into the service by Executive order upon recommendation of the commission. One of these bodies that has been blanketed in are officers of soldiers' homes, and I have in mind one who is 70 years old, and I understand that in attempting to get around the age limit he was obliged to pay back dues since 1920.

If this has been done, it is a patent fraud on the part of the Civil Service Commission. Surely, the commission has not done anything like this; but in order to be sure, I want to get some information about it.

I want to know what officers of soldiers' homes—in particular the one at Johnson City, Tenn.—have been blanketed into the service, say, within the last two years or thereabouts.

I want to know what particular bodies of men in the employ of the Government have been blanketed in the service within the last two years. I know you have the figures, and I would like for you to give me all the facts with the dates of Executive orders blanketing these various bodies into the service, if such have been put in by Executive order.

I want also to have figures as to the number of persons put in the service by Executive order in the present administration and in the past four previous administrations.

Also, what, if any, persons are now contemplating being blanketed into the service.

It is hardly believable that the civil service can be used by its own officers for partisan purposes, and if it is being so used it ought to be abolished.

Kindly give me the facts.

Very sincerely yours,

KENNETH McKELLAR.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., November 29, 1932.

Senator KENNETH McKELLAR,

United States Senate.

MY DEAR SENATOR McKELLAR: Reference is made to your letter of November 25, 1932, with respect to the inclusion of excepted employees within the classified civil service by Executive order.

The first problem presented by your letter has to do with the effect of such inclusions on evasions of the retirement act in the case of employees of the National Homes for Disabled Volunteer Soldiers.

The employees of these homes were made subject to the retirement act, not by Executive order but by an amendment to the retirement act passed by Congress on May 29, 1930.

Your second question has to do with the employees of soldiers' homes covered into the classified civil service. It should be said

in passing that the Executive order classifying the employees of these homes was in conformity with the act of Congress which consolidated the Veterans' Bureau, the Pension Office, and the National Homes for Disabled Volunteer Soldiers into the Veterans' Administration.

Table 1, herewith attached, gives the names, positions, salaries, dates of birth, and dates of appointment of all employees of the home at Johnson City, Tenn., brought into the classified service on July 1, 1931, under the Executive order of April 23, 1931.

Similar lists are available and can be typed for all employees in all of the other homes. These lists will be furnished if desired.

In Table 2 there is furnished the number of such employees in all of the homes on July 1, 1931.

In response to the third request in your letter there is furnished as Table 3, attached herewith, a list showing the groups of employees brought into the classified civil service by Executive order since July 1, 1930, giving the date of the Executive order, the department affected, type of group, and the number of employees involved.

In response to the fourth request in your letter there are furnished herewith Tables 4 and 5.

Table 4 shows, by years, the number of individual persons excepted from the requirements of the civil-service rules by special Executive orders and shows the names of the Presidents issuing the orders.

Table 5 shows the total number of persons blanketed into the classified civil service by the last four Presidents. These figures include individual Executive orders as well as blanket orders.

In response to the last request in your letter having to do with contemplated inclusions within the classified service by the Chief Executive, the commission is not aware that any specific persons or groups of persons are about to be included within the classified service. It has, however, for years recommended the classification of different groups of positions, believing that the inclusion of such groups of positions within the classified service to be in the interest of good administration.

In the commission's annual report for the fiscal year 1932 it recommended that the following positions be included within the classified service:

Postmasters at first, second, and third class offices.
Collectors and deputy collectors of internal revenue.
Collectors of customs.
Marshals and deputy marshals.
Attorneys of all grades.
All positions in the United States Employment Service.
Positions under the government of the District of Columbia.

I will be very happy to furnish any additional information which will be of service.

Sincerely yours,

THOMAS E. CAMPBELL, President.

TABLE 1.—Employees, Veterans' Administration Home (formerly National Home for Disabled Volunteer Soldiers), Johnson City, Tenn., brought into the competitive classified service on July 1, 1931, under Executive order of April 23, 1931

Name	Designation	Salary	Date of birth	Date of appointment
Abercrombie, Austin C.	Clerk	\$1,740	Oct. 23, 1896	Mar. 14, 1921
Alderson, Tom F.	Stenographer	(1,020) 1,440	July 16, 1893	Feb. 16, 1931
Alexander, Ray	Chauffeur	(1,900) 1,320	Feb. 15, 1904	Jan. 24, 1923
Anderson, Robert C.	Physician	3,800	Oct. 9, 1906	Aug. 1, 1930
Arnold, Caroline	Nurse	(11,080) 2,100	Oct. 14, 1885	Oct. 13, 1922
Barrett, Daisy S.	Aide (O. T.)	(1,380) 1,800	Oct. 31, 1886	Mar. 1, 1931
Baurelie, Mrs. Maude F.	Nurse	(1,590) 1,920	Jan. 5, 1889	Nov. 5, 1925
Beacham, Mrs. Tiny D.	do	(1,320) 1,740	Sept. 20, 1888	Mar. 31, 1928
Beasley, Neill A.	General mechanic (electrical)	1,980	June 24, 1888	July 1, 1910
Blevins, Hugh W.	Mechanic's helper (painter)	1,320	Dec. 3, 1888	Feb. 13, 1923
Bomar, Mrs. Sarah D.	Dietitian	(1,500) 1,920	Nov. 14, 1893	June 16, 1926
Bosbury, Albert E.	General mechanic (tinsmith)	1,980	Nov. 8, 1870	July 9, 1917
Bowman, Bruce	Fireman	1,500	Oct. 16, 1893	Feb. 10, 1926
Bragg, Mrs. Mayme M.	Nurse	(1,380) 1,800	Mar. 11, 1898	Oct. 1, 1927
Brice, Margaret L.	do	(1,440) 1,860	Oct. 4, 1876	May 1, 1927
Brice, Miss Nollie J.	do	(1,380) 1,800	July 26, 1885	Oct. 5, 1929
Britton, James N.	Engineer	(1,860) 1,950	Mar. 3, 1898	Feb. 1, 1904
Brookshire, Myrtle	Nurse	(1,380) 1,800	Nov. 1, 1892	Sept. 7, 1928
Brumit, Philip I.	Supply officer	(3,110) 3,800	Feb. 2, 1876	Apr. 1, 1923
Bryant, Dr. Alexander J.	Physician	(3,510) 4,200	Jan. 19, 1884	May 1, 1927
Buchanan, Anita	Nurse	(1,380) 1,800	Mar. 20, 1903	July 15, 1929
Burleson, Orville B.	Guard	(1,900) 1,320	May 8, 1895	July 8, 1921
Callicotte, Mrs. Mary	Nurse	(1,440) 1,860	Mar. 16, 1880	Nov. 28, 1927
Carpenter, Dr. John D.	Physician	(3,900) 4,200	Mar. 29, 1880	Dec. 1, 1921
Cash, Mrs. Marie Rhodes	Nurse	(1,860) 2,400	Sept. 23, 1887	Jan. 1, 1928
Collier, Mae	Stenographer	(1,380) 1,800	May 24, 1899	Nov. 1, 1920
Cornett, Mrs. Anna L.	Nurse	(1,380) 1,800	Dec. 25, 1892	Mar. 9, 1928
Covington, Mary B.	do	(1,440) 1,860	Oct. 26, 1880	Feb. 20, 1921
Crowley, Miss Horacette W.	do	(1,500) 1,920	Dec. 10, 1878	Oct. 16, 1926
Cupp, Dr. Horace B.	Physician	3,800	Sept. 19, 1903	Feb. 1, 1930
Daniels, Mrs. Margaret C.	Librarian	1,800	Oct. 1, 1861	Nov. 5, 1914
Davis, William F.	Mechanical engineer	(2,980) 3,400	Sept. 3, 1872	Oct. 14, 1903
Dinsmore, William E.	Gardener	(1,680) 2,100	July 13, 1870	July 1, 1910
Dodson, Esther A.	Nurse	(1,380) 1,800	Oct. 14, 1878	Mar. 13, 1928
Donnelly, James C.	Administrative officer	(3,310) 4,000	Dec. 23, 1877	Mar. 20, 1912
Dugger, Mary B.	Nurse	(1,380) 1,800	Feb. 9, 1891	Sept. 15, 1930
Dunn, Clinton C.	Fireman	1,500	Apr. 10, 1896	June 8, 1912
Edwards, Mary L. (formerly Mrs. Hawkins)	Nurse	(1,380) 1,800	July 17, 1892	June 1, 1929
Elliott, Arthur T.	Clerk	1,260	Mar. 28, 1894	Aug. 25, 1930
Esteppe, Velma J.	do	1,500	May 5, 1904	Aug. 16, 1922
Finegan, Dr. James F.	Physician	(3,560) 3,800	June 9, 1905	July 16, 1929
Fisher, Raymond W.	Musician	(1,260) 1,560	Sept. 13, 1892	May 1, 1914
France, Chester W.	General mechanic (painter)	1,800	Oct. 24, 1890	Jan. 23, 1922
Fox, Thomas B.	Clerk	1,620	Feb. 5, 1894	Mar. 1, 1924
Francis, Charles E.	Fireman	1,560	Aug. 11, 1892	Sept. 26, 1922
Freeman, Leona I.	Nurse	(1,440) 1,860	Nov. 28, 1883	Aug. 11, 1927
Frost, Ethel V.	do	(1,380) 1,800	Oct. 29, 1885	Feb. 1, 1930
Fussell, Dr. George E.	Dentist	3,600	May 31, 1892	Mar. 1, 1930
Gallimore, Henry H.	Fireman	1,620	June 10, 1896	Jan. 1, 1912
Gargani, Fred	Bandmaster	(1,580) 2,000	Sept. 18, 1893	Aug. 16, 1921
Gaulding, Mrs. Maude F.	Nurse	(1,380) 1,800	Apr. 20, 1905	Jan. 25, 1927
Gaynor, Robert W.	Clerk	2,040	May 17, 1893	Apr. 1, 1924
Goodwin, Miss Dessie A.	Aide (P.T.)	(1,740) 2,160	Aug. 29, 1897	Oct. 1, 1928
Gray, Mr. Sankey	General mechanic (plumber)	1,980	Mar. 22, 1875	Jan. 15, 1904
Greer, Everett	Senior administrative officer	(4,580) 5,600	May 26, 1890	Apr. 1, 1930
Grindstaff, Amanda J.	Nurse	(1,380) 1,800	Dec. 8, 1882	July 10, 1929
Hamley, Ralph E.	Mechanic's helper (steam fitter)	1,320	Jan. 17, 1893	July 25, 1921
Hardin, Mrs. Lucy C.	Nurse	(1,380) 1,800	Jan. 13, 1907	July 20, 1929
Harrell, Mrs. Lena M.	do	(1,380) 1,800	Feb. 18, 1890	Oct. 8, 1930
Hart, Pearl N.	do	(1,380) 1,800	Dec. 19, 1901	Feb. 6, 1925
Hayman, Dr. Edwin H.	Physician	(3,110) 3,800	Apr. 18, 1868	Jan. 21, 1928
Heck, Cornelius	Mechanic's helper (concrete and plaster)	(1,020) 1,320	Apr. 10, 1878	Mar. 7, 1903
Hensley, William H.	Fireman	1,500	June 22, 1896	July 1, 1925
Henson, Wade H.	Clerk	1,860	Mar. 16, 1899	June 8, 1922
Herren, John J.	Clerk	1,860	Nov. 16, 1891	July 11, 1921
Herrin, Emmett	General mechanic (carpenter)	1,800	Jan. 27, 1897	July 1, 1921
Hodge, Ora B. (Miss)	Nurse	(1,380) 1,800	Nov. 11, 1907	Mar. 7, 1930
Hoover, Eva I.	do	(1,380) 1,800	Sept. 15, 1897	Jan. 1, 1929
Humphreys, James F.	Clerk	1,620	Sept. 8, 1888	Apr. 1, 1921
Ingle, Robert A.	Shoemaker	1,320	June 17, 1894	Nov. 16, 1922
Jackson, Miss Clement M.	Clerk	(1,440) 1,860	Sept. 1, 1909	Sept. 16, 1927
Johnson, Cora L. (formerly Mrs. Koehler)	Nurse	(1,380) 1,800	Sept. 24, 1906	Jan. 14, 1929
Johnson, Herbert L.	Physician	(3,910) 4,600	Nov. 2, 1891	Apr. 1, 1927
Jones, Roy W.	General mechanic (painter)	1,800	Oct. 29, 1897	July 18, 1921
Jones, William H.	Farm superintendent	(1,980) 2,400	June 10, 1882	Apr. 29, 1929
Jordon, Anna H.	Social worker	(1,440) 1,860	Mar. 17, 1890	July 1, 1928

¹ Quarters and subsistence.

² Quarters.

³ Subsistence.

TABLE 1.—Employees, Veterans' Administration Home (formerly National Home for Disabled Volunteer Soldiers), Johnson City, Tenn., brought into the competitive classified service on July 1, 1931, under Executive order of April 23, 1931—Continued

Name	Designation	Salary	Date of birth	Date of appointment
Julian, Edwin L.	Secretary	\$2,500	May 25, 1899	Apr. 18, 1921
Julian, Nelle F.	Clerk	(¹ 1,680) 2,100	Jan. 28, 1898	Sept. 10, 1924
Kelly, Thomas	Engineer	1,980	Aug. 3, 1887	June 15, 1909
King, Bessie	Nurse	(¹ 1,380) 1,800	June 17, 1902	June 14, 1928
King, Mrs. Minervia F.	Assistant laboratorian (bacteriologist)	1,620	Dec. 29, 1886	Apr. 22, 1925
Kissel, Henry	Musician	(¹ 1,260) 1,500	July 31, 1870	Apr. 19, 1923
Koehler, Carl E.	do	(¹ 1,020) 1,440	Nov. 21, 1903	May 16, 1925
Lamons, Edward C.	Mechanic's helper (blacksmith)	1,320	Dec. 8, 1870	Jan. 1, 1921
Landreth, John B.	Clerk	1,440	June 15, 1878	Apr. 1, 1931
Leahy, David J.	Aide (P. T.)	(¹ 1,380) 1,800	July 19, 1896	Nov. 5, 1929
Legg, Mrs. Grace O.	Nurse	(¹ 1,380) 1,800	Apr. 29, 1896	June 4, 1927
Legg, Wallace	Laboratorian (Röntgen)	2,000	Sept. 23, 1895	Aug. 1, 1925
Lewis, Mr. Connie E.	Clerk	(¹ 1,200) 1,620	Sept. 10, 1894	Oct. 1, 1924
Lewis, James C.	Chauffeur	(¹ 900) 1,320	Oct. 12, 1903	Nov. 17, 1924
Lewis, Mrs. Lillian B.	Nurse	(¹ 1,380) 1,800	Apr. 9, 1908	July 18, 1928
Locke, Mal	do	(¹ 1,380) 1,800	Feb. 10, 1882	Jan. 30, 1928
Louden, Florence A.	do	(¹ 1,380) 1,800	Feb. 28, 1896	Nov. 1, 1922
Lowe, Elbert H.	Clerk	1,680	Feb. 26, 1893	Jan. 1, 1921
Lucas, James H.	do	1,440	Jan. 9, 1893	Sept. 15, 1927
Lyle, Mr. Cy H.	Administrative assistant	(² 3,110) 3,800	Feb. 7, 1863	July 1, 1915
McDannel, Donald H.	Clerk	(¹ 1,560) 1,980	Jan. 17, 1880	Mar. 12, 1920
McDonald, John B.	Musician	(¹ 1,140) 1,500	Oct. 21, 1878	Sept. 24, 1917
McNeese, Myrtle D.	Nurse	(¹ 1,880) 1,800	Dec. 5, 1907	Nov. 14, 1930
McQueen, Stacy S.	Pharmacist	(² 1,740) 2,100	July 26, 1894	July 8, 1925
Mackey, Dr. Sidney L.	Physician	(² 3,110) 3,800	May 20, 1881	Jan. 1, 1925
Marlin, Mrs. Mary J.	Nurse	(¹ 1,380) 1,800	June 5, 1898	May 25, 1929
Martin, Walter E.	Administrative assistant	(² 3,110) 3,800	Oct. 21, 1888	Feb. 4, 1930
Maxwell, Edwin P.	Aide (O. T.)	(² 1,740) 1,800	Dec. 7, 1895	Feb. 1, 1924
Meredith, Robert H.	Superintendent of laundry	(¹ 1,580) 2,000	Sept. 12, 1873	Feb. 19, 1904
Merritt, Albert	Mechanic's helper (plasterer)	1,320	June 6, 1875	Apr. 1, 1919
Mickle, Mary M.	Nurse	(¹ 1,380) 1,800	Sept. 13, 1907	Dec. 11, 1930
Miller, Mr. Barnie F.	Aide (P. T.)	(¹ 1,380) 1,800	Mar. 12, 1895	Nov. 16, 1920
Miller, James M.	Engineer	1,980	May 16, 1871	May 1, 1905
Moore, William Elmore	Dental mechanic	(² 1,880) 2,000	Apr. 29, 1892	Aug. 1, 1924
Morelock, Louise	Dietitian	(² 1,740) 2,160	Sept. 14, 1902	June 1, 1928
Morgan, Walter T.	Aide (O. T.)	1,800	Nov. 24, 1894	Jan. 1, 1921
Mori, Mr. Guido	Bandmaster	2,300	Aug. 15, 1891	Mar. 1, 1922
Morton, Murphy J.	Clerk	1,620	July 2, 1895	Apr. 10, 1923
Mulherin, Mrs. Sara P.	Aide (O. T.)	2,040	Dec. 28, 1890	Sept. 28, 1925
Mullins, Nathan R.	Dental mechanic	2,000	Jan. 18, 1901	Jan. 6, 1930
Mullis, John E.	Mechanic's helper (carpenter)	1,320	July 2, 1892	May 9, 1927
Murray, Joseph B.	Clerk	2,400	Oct. 10, 1873	May 7, 1912
Nieman, Dr. Samuel C.	Physician	(² 4,790) 5,600	Mar. 20, 1876	Feb. 1, 1903
Nelson, Dr. James Van D.	do	4,600	May 1, 1878	Aug. 15, 1921
Nunez, Robert E.	Printer	1,680	Feb. 10, 1893	June 12, 1928
Onks, John N.	Fireman	1,560	Apr. 6, 1894	Nov. 28, 1921
Onks, Ralph C.	General mechanic (plumber)	1,800	Oct. 31, 1891	Jan. 10, 1921
Ottinger, Clayton C.	Clerk	(¹ 1,200) 1,620	July 11, 1886	May 19, 1930
Parks, Shelby	Mechanic helper (electrical)	(² 1,020) 1,320	Oct. 27, 1896	May 6, 1922
Payne, Christine O.	Stenographer	(¹ 1,020) 1,440	Nov. 13, 1900	Aug. 1, 1927
Peterson, Dr. James M.	Physician	(² 3,110) 3,800	May 5, 1872	Nov. 1, 1929
Peterson, Nils B.	Musician	(² 1,140) 1,440	Dec. 29, 1870	Oct. 1, 1920
Pitts, Annie L.	Nurse	(¹ 1,380) 1,800	Mar. 11, 1903	Nov. 8, 1929
Prochaska, Fred	Musician	(¹ 1,020) 1,440	July 15, 1874	May 1, 1924
Pruitt, Mrs. Corrine M.	Nurse	(¹ 1,380) 1,800	Oct. 13, 1894	Apr. 20, 1930
ReMine, Jay F.	Telephone operator	(¹ 840) 1,260	Dec. 21, 1898	Aug. 17, 1921
Rich, Josephine	Nurse	(¹ 1,380) 1,800	Feb. 24, 1898	Jan. 1, 1931
Roberts, Willie R.	Assistant laboratorian (bacteriologist)	1,620	Mar. 9, 1905	Nov. 25, 1920
Rowe, Robert L.	General mechanic (steamfitter)	1,980	Mar. 13, 1876	Aug. 15, 1905
Royal, Dr. Warren M.	Physician	(² 3,910) 4,600	Jan. 7, 1885	Aug. 10, 1924
Schallenkamp, Mary P.	Nurse	(¹ 1,380) 1,800	Jan. 16, 1898	Nov. 28, 1924
Scott, Ralph E.	General mechanic (carpenter)	1,740	Aug. 8, 1891	Jan. 1, 1929
Sells, William A.	Guard	(¹ 1,020) 1,440	Jan. 29, 1891	Aug. 1, 1923
Shackelford, Lucy H.	Nurse	(¹ 1,440) 1,800	Nov. 27, 1889	Nov. 16, 1925
Shearon, Mrs. Lillian M.	Laboratorian (bacterian)	(¹ 1,680) 2,100	Sept. 18, 1903	Aug. 1, 1930
Shelmutt, Mrs. Myrtle C.	Stenographer	1,680	Oct. 15, 1905	Jan. 16, 1922
Shelton, William B.	Chief guard	(¹ 1,200) 1,680	Sept. 19, 1894	Aug. 1, 1924
Simerly, John W.	Meat cutter	1,680	Oct. 11, 1895	Jan. 26, 1921
Smith, Mrs. Ruth Buchanan	Typist	1,440	Apr. 23, 1901	Feb. 4, 1924
Smith, Mrs. Thyra S.	Nurse	(¹ 1,380) 1,800	May 17, 1891	May 14, 1927
Starr, Ella Mae	do	(¹ 1,380) 1,800	Apr. 30, 1905	June 26, 1928
Stump, Claude V.	General mechanic (automobile)	1,980	Sept. 1, 1894	Sept. 1, 1910
Taylor, David H.	Clerk	2,600	Jan. 3, 1891	Sept. 8, 1920
Taylor, Rufus N.	General mechanic (carpenter)	1,680	Apr. 4, 1878	Feb. 14, 1923
Trivett, Ulysses G.	General mechanic (electrical)	1,800	Jan. 7, 1896	Oct. 1, 1921
Tucker, George W.	Clerk	(¹ 1,020) 1,440	Nov. 14, 1868	May 19, 1921
Van Brackle, Dr. Woodfin H.	Dentist	(² 3,110) 3,800	Aug. 12, 1891	May 6, 1925
Vance, Edna	Stenographer	(¹ 1,320) 1,740	Mar. 25, 1898	July 5, 1921
Von Bieberstein, Mrs. Anna K.	Nurse	(¹ 1,380) 1,800	Nov. 14, 1888	Sept. 1, 1922
Waite, Mrs. Hettie A.	do	(¹ 1,380) 1,800	Nov. 30, 1896	May 2, 1927
Wallace, Dr. James M.	Physician	(² 4,310) 5,000	Apr. 10, 1878	Aug. 15, 1922
Warden, Arthur D.	General mechanic (refrigeration)	1,980	Apr. 21, 1891	Oct. 1, 1929
Wardrop, William R.	Clerk	(¹ 840) 1,260	Sept. 21, 1896	Mar. 7, 1921
Wasson, Edgar F.	Foreman of laborers	1,320	Mar. 9, 1882	Dec. 1, 1929
Webb, Dr. George O.	Physician	(² 3,110) 3,800	June 13, 1875	June 1, 1929
White, Samuel N.	General mechanic (steamfitter)	1,860	Oct. 24, 1875	Feb. 1, 1905
Whitlow, Clarence	General mechanic (painter)	1,980	Aug. 9, 1880	June 22, 1909
Williams, Miss Pearl	Nurse	(¹ 1,440) 1,860	Nov. 30, 1893	Apr. 15, 1919
Willien, Dr. William F.	Physician	(² 3,910) 4,600	Nov. 21, 1874	Oct. 1, 1925
Winkle, Leon	Dental mechanic	2,000	July 28, 1889	June 6, 1927
Yelton, Mrs. Mary J.	Nurse	(¹ 1,380) 1,800	Apr. 21, 1894	June 11, 1928

¹ Quarters and subsistence.² Quarters.³ Subsistence.

The following employees classified July 1, 1931, under Executive order of April 23, 1931, have since been separated from the service:

Name	Designation	Salary	Date of birth	Date of appointment	Date of separation
Bell, Carl C.	Head dairyman	(¹ \$1,560) \$1,680	May 20, 1895	Aug. 1, 1916	June 28, 1932
Britton, John B.	Engineer	2,100	Mar. 2, 1861	Oct. 1, 1903	Nov. 30, 1931
Brown, Miss Willie M.	Nurse	(¹ 1,380) 1,800	Dec. 11, 1907	Dec. 29, 1928	Aug. 31, 1932

¹ Quarters.² Quarters and subsistence.

Name	Designation	Salary	Date of birth	Date of appointment	Date of separation
Dillow, Simpson B.	Guard	(1 \$840) \$1,260	July 29, 1894	Feb. 1, 1930	Dec. 31, 1931
Hodge, Mrs. Monie H.	Nurse	(1 \$1,380) 1,800	Nov. 3, 1901	Oct. 6, 1928	Oct. 2, 1931
Lucas, Mrs. Sallie M.	do	(1 \$1,380) 1,800	Aug. 16, 1905	Mar. 27, 1928	Nov. 30, 1931
McGinnis, Dr. John E.	Physician	(1 \$3,110) 3,800	June 26, 1872	Mar. 3, 1928	Aug. 26, 1932
Peyton, Dr. Robert L.	do	(1 \$4,060) 4,600	Dec. 29, 1876	June 4, 1922	Oct. 19, 1932
Stanley, Dr. Robert H.	do	3,800	Sept. 21, 1868	Aug. 20, 1924	Sept. 26, 1931
Turner, Edmund A.	Clerk	1,500	Dec. 29, 1869	Jan. 16, 1930	May 30, 1932

¹ Quarters.

² Quarters and subsistence.

The total number of employees classified at the Johnson City, Tenn., branch of the Bureau of National Homes, 177.
Prepared by Service Record and Retirement Division Nov. 28, 1932.

TABLE 2.—Number of employees brought into the competitive classified service in the Veterans' Administration Homes on July 1, 1931, by Executive order of April 23, 1931

Augusta, Me.	77
Bath, N. Y.	81
Danville, Ill.	123
Dayton, Ohio	226
Hampton, Va.	128
Hot Springs, S. Dak.	71
Johnson City, Tenn.	177
Leavenworth, Kans.	122
Sawtelle, Calif.	244
Marion, Ind.	181
Milwaukee, Wis.	191
Washington, D. C.	14
Total	1,635

These figures do not include any persons appointed through civil-service examination prior to July 1, 1931.

TABLE 3.—Groups of employees brought into the classified service by Executive order from July 1, 1930, to November 1, 1932

Date of Executive order	Department	Type of group	Number of employees classified
Oct. 4, 1930	Commerce	Shipping commissioners	14
Jan. 30, 1931	Interior	Advisers, Indian Service	6
Apr. 23, 1931	Veterans' Administration	Employees, excepting inmates of National Homes for Disabled Volunteer Soldiers	1,635
May 15, 1931	Navy	Various groups, Philippine Service	115
Do.	War	do	59
June 3, 1931	Veterans' Administration	Attorneys	193
Aug. 10, 1931	Interior	Superintendents or officers in charge national parks or reservations	13
Jan. 15, 1932	Commerce	Miners, Bureau of Mines	36
Feb. 2, 1932	Justice	Various groups	231
Mar. 10, 1932	Commerce	All employees in foreign and domestic commerce in the continental United States, Alaska, Hawaii, and Puerto Rico, heretofore excepted from competitive examination, except director and assistant directors of bureau	147
June 21, 1932	Treasury	Mounted inspectors, Customs Service, on Mexican border. ¹	170
Total			2,619

¹ Pending for character investigation.

TABLE 4.—Number of persons excepted from requirements of civil-service rules by special Executive orders by administrations and by years

Year	President	Number
1914	Wilson	62
1915	do	74
1916	do	118
1917	do	97
1918	do	20
1919	do	25
1920	do	28
1921	do	43
		467
1922	Harding	47
1923	do	32
		79
1924	Coolidge	28
1925	do	29
1926	do	26
1927	do	29
1928	do	48
1929	do	47
		207

TABLE 4.—Number of persons excepted from requirements of civil-service rules by special Executive orders by administrations and by years—Continued

Year	President	Number
1930	Hoover	49
1931	do	23
1932	do	26
		98
Total		851

TABLE 5.—Total number of persons blanketed into the classified service by the last four Presidents

President	Number
President Wilson	1,276
President Harding	79
President Coolidge	1,744
President Hoover	2,717
Total	5,816

NOVEMBER 28, 1932.

HON. THOMAS E. CAMPBELL,
Civil Service Commission,
Washington, D. C.

MY DEAR GOVERNOR CAMPBELL: Will you kindly advise what has been done by your commission with the Personnel Classification Board?

Was it just moved over and made a part of the Civil Service Commission?

Were its officers or employees reduced in number or in grade?

What, if anything, will be saved by the consolidation?

Please give me a full report at once if you can.

Very sincerely yours,

KENNETH McKELLAR.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., November 29, 1932.

Senator KENNETH McKELLAR,
United States Senate.

MY DEAR SENATOR McKELLAR: Reference is made to your letter of yesterday, requesting information concerning the consolidation of the Personnel Classification Board and the Civil Service Commission.

The first question propounded in your letter is as follows:

"Was it just moved over and made a part of the Civil Service Commission?"

All of the work having to do with the usual service functions, including personnel, disbursing, purchasing, maintenance of correspondence files, etc., of the Personnel Classification Board was taken over and assimilated by the staff of the commission occupied in these functions without increase of that staff.

Three members of the staff of the Personnel Classification Board were transferred to the commission's board of appeals and review to permit the board to assimilate the appellate functions in allocation work.

The functions of basic allocation and survey were placed under a separate division known as the personnel classification division with a greatly reduced force.

Your second question is as follows:

"Were its officers or employees reduced in number or in grade?"

The economy act contained an expression in section 506 which apparently withdrew from the Civil Service Commission authority to reduce the grade of employees brought over from the Personnel Classification Board. The commission, desirous of coordinating the salaries of the personnel of the Personnel Classification Board which are apparently on a somewhat higher level than the salaries of the personnel of the Civil Service Commission, asked information of the Comptroller General as to its authority to do so by letter of September 19, 1932.

The Comptroller General, by opinion dated October 4, 1932 (A-44810) held that the commission had no power to reduce the classification grades or salaries of persons transferred to the Civil Service Commission from the Personnel Classification Board under the specific language of the economy act. (The commission is

suggesting that this provision of law be eliminated so that these salaries may be properly adjusted.)

With respect to the number of employees transferred to the commission, the following tables are furnished.

The first table contains the names of those employees, with their grades and annual-salary rates, the services of whom are not being availed of by the Civil Service Commission since October 1, 1932, the date the board was transferred to the commission.

The second table contains the names, grades, and annual-salary rates of those employees now serving the commission who were transferred from the Personnel Classification Board on October 1, 1932.

Employees not now serving in the Civil Service Commission

Name	Grade	Salary
McReynolds, William H.	CAF-15	\$8,500
Peck, Paul N.	CAF-13	6,000
Croissant, Victor G.	CAF-13	5,800
Van Leer, Carlos C.	CAF-13	5,800
Brown, Fay C.	P-6	5,000
Wilmot, Wilson E.	CAF-12	5,000
Kearful, John M.	CAF-11	3,800
Garrett, Bernard E.	CAF-7	3,200
Clark, John H.	CAF-7	2,800
Bateson, Charles E. W.	CAF-7	2,600
Hare, Inez M.	CAF-5	2,000
Dale, Roxy.	CAF-4	1,980
Decker, Mrs. Pearl F.	CAF-3	1,980
Farrell, Helen F.	CAF-4	1,920
Fry, Mrs. Vallie G.	CAF-4	1,920
Peters, Ruth H.	CAF-3	1,920
Quinn, Agnes M.	CAF-4	1,800
Mason, Mrs. Chlorus K.	CAF-3	1,740
Jarvis, Mrs. Sarah G.	CAF-3	1,680

Employees transferred to Civil Service Commission and now serving

Name	Grade	Salary
Baruch, Ismar.	CAF-14	\$6,800
Balling, Edwin R.	CAF-12	4,600
Morman, Ray J.	P-5	4,600
Spillman, Joseph L. F.	CAF-11	4,600
Van Brunt, Edmund S.	P-4	4,600
Bowman, Ralph	CAF-10	4,000
Overholt, John A.	CAF-11	4,000
Almond, Virgil L.	CAF-11	3,500
Belsley, Gilbert L.	P-4	3,800
Brassor, Francis P.	CAF-10	3,500
Rader, Carl H.	CAF-10	3,500
Valentine, LeRoy W.	CAF-9	3,400
Burke, Ernest F.	CAF-9	3,200
Dirks, John F.	CAF-9	3,200
Hare, Robert S.	CAF-9	3,200
Murray, Oliver C.	CAF-7	3,000
Mathis, Mary R.	CAF-7	2,700
Moore, William L.	CAF-7	2,600
Danforth, Mrs. Ursula G.	CAF-6	2,300
Carley, Mrs. Mary C.	CAF-4	2,040
Murphy, Nellie	CAF-4	1,980
Geiger, Mrs. Dorothy H.	CAF-3	1,880
Quackenbush, Edgar G.	CAF-4	1,880
Dulin, Lucy J.	CAF-4	1,800
Loveland, Mrs. Margaret G.	CAF-4	1,800
Russell, Mrs. Amelia H. V.	CAF-4	1,800
Thompson, Anna	CAF-2	1,800
Wepper, Anna A.	CAF-2	1,800
Lemmer, Genevieve E.	CAF-3	1,740
Creeden, Mary	CAF-2	1,680
Manchester, Mrs. Ellen E.	CAF-3	1,680
Matera, Lenora C.	CAF-2	1,680
Lipsecomb, Elizabeth	CAF-3	1,620
Potter, Alma	CAF-2	1,560
Crowley, Catherine F.	CAF-2	1,440
Van der Aarde, Mrs. Ruth A.	CAF-2	1,440
Berry, James H.	Cu-3	1,200

With respect to your third question, it will be noted from the above that on an annual basis the Personnel Classification Board's personnel pay roll was reduced in the amount of \$67,240.

That part of the Personnel Classification Board's appropriation for 1932 unexpended because of the creation of vacancies due to the nontransfer to the Civil Service Commission of the personnel of the Personnel Classification Board is at present impounded in the Treasury under the provisions of section 203 of the economy act.

Sincerely yours,

THOMAS E. CAMPELL, President.

DECEMBER 5, 1932.

HON. THOMAS E. CAMPELL,

Civil Service Commission, Washington, D. C.

MY DEAR GOVERNOR CAMPELL: Your letter of the 29th in reference to the consolidation of the Personnel Classification Board with the Civil Service Commission received and noted.

On page 2 of your letter you have 19 employees listed under the head "Employees not now serving in the Civil Service Commission."

Will you kindly advise me if these employees are still serving the Government, and in what capacity, and in what bureau or department,

and the salaries of each? You can easily see that my interest in the matter is what savings have been made by the consolidation.

Again, has the consolidation required you to put any members of your own force in with the remaining force of the Personnel Classification Board; and, if so, please give the names, number, and salaries of each?

Very sincerely yours,

KENNETH MCKELLAR.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., December 6, 1932.

Senator KENNETH MCKELLAR,

United States Senate.

MY DEAR SENATOR MCKELLAR: Reference is made to your letter of December 5, 1932, requesting information as to the disposition of the 19 employees who are not now serving in the Civil Service Commission who were on the staff of the Personnel Classification Board.

The following list shows the Personnel Classification Board grade and salary, the names of the employees, the office and department to which transferred, and the grade and salary in the office to which transferred:

Name	Personnel Classification Board	Department or office to which transferred	Grade	Salary
	Grade			
Ashton, Reginald H.	Cu-3	Treasury	Cu-3	\$1,200
Bateson, Chas. E. W.	CAF-7	do.	CAF-6	2,600
Clark, John H.	CAF-7	do.	CAF-6	2,600
Croissant, Victor G.	CAF-13	Post Office	CAF-4	4,500
Dale, Roxy.	CAF-4	Bureau of the Budget	CAF-4	1,980
Decker, Mrs. Pearl F.	CAF-3	Treasury	CAF-1	1,620
Farrell, Helen F.	CAF-4	Post Office	CAF-3	1,800
Fry, Mrs. Vallie G.	CAF-4	Treasury	CAF-4	1,920
Garrett, Bernard E.	CAF-7	Post Office	CAF-6	2,500
Hare, Inez M.	CAF-5	Treasury	CAF-2	1,800
Jarvis, Mrs. Sarah G.	CAF-3	do.	CAF-2	1,440
Kearful, John M.	CAF-11	do.	do.	3,800
McReynolds, Wm. H.	CAF-15	Bureau of the Budget	CAF-15	8,500
Mason, Chlorus K.	CAF-3	General Accounting Office	CAF-2	1,440
Peck, Paul N.	CAF-13	Bureau of the Budget	CAF-13	6,000
Peters, Ruth H.	CAF-3	Not transferred		
Quinn, Agnes M.	CAF-4	Employment Commission	CAF-4	1,800
Van Leer, Carlos C.	CAF-13	Not transferred		
Wilmot, Wilson E.	CAF-12	Bureau of Efficiency	CAF-12	5,000

In response to your telephonic inquiry of to-day, contact has been made by telephone with the various offices to which these employees have been transferred. I am informed that the following of the above employees were placed into newly created positions:

Charles E. W. Bateson, Roxy Dale,¹ William H. McReynolds,¹ Paul N. Peck,¹ and Wilton E. Wilmot.

The following employees, with grade and salary while with the Personnel Classification Board, were either not placed or were placed in positions made vacant by separation of an employee:

Ashton, Reginald H., Cu-3	\$1,200
Clark, John H., CAF-7	2,800
Croissant, Victor G., CAF-13	5,800
Decker, Mrs. Pearl F., CAF-3	1,980
Farrell, Helen F., CAF-4	1,920
Fry, Mrs. Vallie G., CAF-4	1,920
Garrett, Bernard E., CAF-7	3,200
Hare, Inez M., CAF-5	2,000
Jarvis, Mrs. Sarah G., CAF-3	1,680
Kearful, John M., CAF-11	3,800
Mason, Mrs. Chlorus K., CAF-3	1,440
Peters, Ruth H., CAF-3	1,920
Quinn, Agnes M., CAF-4	1,800
Van Leer, Carlos C., CAF-13	5,800

It will be seen, therefore, that the general personnel of the Government service in so far as this particular consolidation is concerned was reduced by 14 employees and by annual salaries in the amount of \$37,260. This number of employees will be increased to 17, and the total amount to \$53,740 when the three temporary employees of the Bureau of the Budget are separated from the service.

With respect to the last question in your letter of December 5, requesting information as to whether or not the Civil Service Commission has put any members of its own force in with the remaining force of the Personnel Classification Board, you are informed that the personnel classification and original allocation work is being done in the Division of Personnel Classification, and there has not been added to that division any of the old staff of the Civil Service Commission. It is true that a part of the work heretofore done by the Personnel Classification Board's staff has been assimilated in the regular work of the Civil Service Commission and by the old staff of the commission. This part of the work has to do with disbursement of funds, procurement of

¹ Budget Bureau representative states these three positions purely temporary, to terminate in December, 1932.

supplies, filing work, correspondence work, and similar general service functions.

If there is any further information desired, I shall be pleased to furnish it if available.

Very truly yours,

THOMAS E. CAMPBELL, *President.*

DECEMBER 2, 1932.

SIR: In order that the commission may comply with requests for information as to the number of officers and employees in the Executive Civil Service whose appointments are not made through competitive examination, this office would appreciate your cooperation in obtaining this information at the earliest practicable moment.

The information desired covers all positions appointment to which is made by the President, by and with the advice and consent of the Senate; positions under Schedule A or Schedule B of the civil-service rules, positions under section 10 of Civil Service Rule II, positions excepted from civil-service examinations by law, and unclassified positions.

There are inclosed herewith sample forms (Tables I to IV, inclusive) showing the arrangement in which it is desired that the information be furnished. Please note that on Table II a column is provided in which to indicate the number of excepted positions filled by persons who have a civil-service status by reason of appointment, promotion, reinstatement, or transfer from the competitive classified service. Names of employees are not desired. Please make report in quadruplicate, and follow alphabetical order of States in recording the information.

The information called for is desired by December 16. The commission would appreciate an immediate acknowledgment of this letter and if, for any reason, the report can not be furnished on or before the 16th please advise earliest date at which it can be furnished.

By direction of the commission.

(Presidential offices)

(Department or establishment)

TABLE I.—List of offices to which appointment is made by the President, by and with the advice and consent of the Senate, showing the location of such offices, date of appointment of the present incumbent, term of office, and salary

Location—State and city	Service or bureau and position	Date of appointment	Legal tenure	Salary
Michigan: Detroit....	Internal-revenue collector.	May 4, 1933	No statutory limitation.	\$6,000
Alaska: Fairbanks....	District attorney.....	July 8, 1917	4 years.....	5,000

(Excepted positions)

(Department or establishment)

TABLE II.—List of positions which are excepted from examination by law, or under Schedule A or Schedule B of the civil-service rules, or under section 10 of Civil Service Rule II

Location, State and city	Bureau and position	Salary	Number of positions	Number positions incumbent of which has classified status
Kentucky: Louisville.....	Internal-revenue deputy collector.	\$3,000	1	-----
District of Columbia: Washington.	Customs, attorney.....	3,600	10	4

(Unclassified laborer positions)

GROUP 1

(Department or establishment)

TABLE III.—List of unclassified laborer positions which are filled without regard to the labor regulations, showing location and salary range

Location, State and city	Salary	Number	Location, State and city	Salary	Number
California: Riverside....	\$1,080	16	-----	-----	-----
Alaska: Nome.....	960	7	-----	-----	-----

GROUP 2

TABLE IV.—List of unclassified laborer positions filled in accordance with the labor regulations

Location, State and city	Salary	Number	Location, State and city	Salary	Number
California: Riverside....	\$1,080	16	-----	-----	-----
Alaska: Nome.....	960	7	-----	-----	-----

PHILIPPINE INDEPENDENCE

Mr. HAWES and Mr. METCALF each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. HAWES. Mr. President, to-morrow the Philippine independence bill will become the unfinished business of the Senate, and there is an agreement by the leaders on both sides that it shall be finally disposed of.

Before the general debate begins, it occurs to me that a recent address of Dr. Jacob Gould Schurman will be interesting and informative to the Members of the Senate.

It is short, but it will probably refresh our memory. As we know, Doctor Schurman was appointed by President McKinley to head the commission which was to introduce the first American civil government in the Philippine Islands after the United States acquired them from Spain. That was in February, 1899. Doctor Schurman is the last survivor of those who had intimate acquaintance with President McKinley's plans for the Philippines and a large share in their realization, so far as that was permitted before the assassination of the President. Moreover, Doctor Schurman has revisited the Philippines since the conclusion of his official labors there and has kept closely conversant with the policies and program of the United States in the islands. His views are therefore of the utmost importance and usefulness at a time when the Senate is about to take action with regard to a bill granting independence to the Filipino people.

For example, Doctor Schurman, recalling the significant words of the first Philippine Commission's proclamation, which was signed by himself and his associates in the commission, including Admiral Dewey, and approved by President McKinley, and which declared it the intention of the United States to "accustom them [the Filipino people] to free self-government in an ever-increasing measure, and to encourage them in those democratic aspirations, sentiments, and ideals which are the promise and potency of a fruitful national development," reminds us that "it is the nature of such ever-increasing liberty and self-government as that promised by the United States to issue finally in complete independence." To this he adds a quotation from the Philippine Commission's report to Congress—in 1901—in which its authors stated that it "would be a misrepresentation of facts" not to say to the American people "that ultimate independence—indeed after an undefined period of American training—is the aspiration and goal" of the Filipinos themselves.

In two sentences with which Doctor Schurman closed his address he characterized and, in my judgment, justified the aims and objects of American occupation and government of the Philippines. I quote them:

America for the Americans, the Philippines for the Filipinos, and government of the people, by the people, for the people as the ideal of all nations. To inaugurate in the Orient a republic dedicated to that ideal is, I believe, the glorious mission and the supreme duty of America in the Philippines.

I ask that the full text of Doctor Schurman's address be printed in the body of the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the body of the RECORD, as follows:

PHILIPPINE INDEPENDENCE

By Jacob Gould Schurman

There is now a bill pending in the Congress of the United States to grant independence to the Philippines. It has passed the House of Representatives and is to be taken up for further consideration by the Senate on December 8 with a view to final action. I earnestly hope the bill will be passed by the Senate and approved by the President.

Let me state with the greatest brevity the reasons why the Filipinos should be granted their independence.

In the first place, independence, if not specifically promised, was implied in the policy of President McKinley. His motive in compelling Spain, at the close of our victorious war in 1898, to cede to the United States her sovereignty over the Philippines was the humanitarian motive of freeing the Filipinos from the misgovernment and oppression of the Spanish colonial system. I know something of President McKinley's mind, for he talked over the subject very fully and frankly with me in December, 1898, when he asked me to accept the presidency of the first United States Commission to the Philippines. He did not want the Philippines, but they had come to us as a result of our victory over Spain. President McKinley's program was a very simple one. It was this: To emancipate the Filipinos, to eliminate Spain from the archipelago, and to replace Spanish sovereignty with the sovereignty of the United States. That done, it remained for the United States, according to President McKinley, to frame and carry into effect a policy in regard to the Philippines.

PRESIDENT MCKINLEY'S POLICY

President McKinley himself soon voiced the spirit of that policy. He declared that our commission were the bearers to the Philippines of the "blessings of a liberating rather than a conquering nation." In the national Republican platform on which McKinley and Roosevelt were elected in 1900 the keynote of the Philippine plan was American responsibility to the Philippine people. That plank declared that we must secure to them by law "the largest measure of self-government consistent with their welfare and our duties." In the proclamation addressed by our commission to the people of the Philippine Islands, published in Manila April 4, 1899, we had already declared that the United States was most desirous "to accustom them to free self-government in an ever-increasing measure and to encourage them in those democratic aspirations, sentiments, and ideals which are the promise and potency of a fruitful national development." That proclamation, which was signed not only by me as president of the commission but by all my associates, including Admiral Dewey, was approved by President McKinley.

I need not point out that it is the nature of such ever-increasing liberty and self-government as that promised by the United States to the Philippines to issue finally in complete independence. That also is what all Filipinos desired. And in the official report of our commission to Congress we stated that it "would be a misrepresentation of facts not to report that ultimate independence— independence after an undefined period of American training—is the aspiration and goal" of the Filipinos.

FILIPINOS MAKE SPLENDID RECORD

The Filipinos, like other nations, desire good government. But even a good government, if it is imposed upon them by a foreign nation, is not at all to their taste. They desire to conduct their own government in their own way, even if the result seems to us inferior. And I have no doubt, when I look at the splendid record they have made in one generation, that they would, as an independent sovereign nation, govern themselves as well as the majority of nations in the New World.

That independence would be the inevitable result of our Philippine policy of ever-increasing self-government was recognized by Mr. Taft in opening the newly established Philippine Assembly on October 16, 1907. He said:

"As this policy of extending control continues, it must logically reduce and finally end the sovereignty of the United States in the islands."

President Roosevelt was even more specific. In his message to Congress in 1908 he used these words:

"I trust that within a generation the time will arrive when the Filipinos can decide for themselves whether it will be well for them to become independent"—or remain under American sovereignty.

Well, a generation has now passed. The Filipinos have spoken. Nay, more, they have spoken through the only organ we can recognize as at once legal and reliable—their own duly elected legislature. And they unanimously demand independence.

PRESIDENT WILSON'S TESTIMONY

The noble and statesmanlike attitude of the political leaders of the United States whom I have already cited was not confined to Republican Presidents. The Democratic leaders were not less emphatic. President Wilson sent a message to the Filipino people in October, 1913, in which he solemnly declared:

"We regard ourselves as trustees acting not for the advantage of the United States but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to the ultimate independence of the islands and as a preparation for that independence."

Nothing remained but to formulate the policy which our Chief Executives had followed and to embody it in an act of Congress, thus adding legislative sanction to Executive declarations and

actions. And this consummation speedily came. In February, 1916, Congress took up the Philippine question in earnest, and the final result of the discussion of the matter was the passage of the act known as the Jones law. The full title of the Jones law is: "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands." The declaration of purpose is contained in the following preamble:

"Whereas it was never the purpose of the people of the United States in the incipency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

"Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein."

STABLE GOVERNMENT MAINTAINED

Here, then, 16 years ago, is a solemn declaration by the Congress of the United States that the only condition for our granting independence to the Filipinos was the establishment of a stable government. Now, what is a stable government? It is a government supported by the people and capable of maintaining peace and order and fulfilling its obligations. Since the enactment of the Jones law in 1916 the Filipinos have had home rule over the archipelago, which began, indeed, in 1901 when we granted them control of municipal governments. This active, responsible part in making and administering their laws and in conducting their other public affairs has been for them a practical apprenticeship in self-government. All American authorities bear emphatic testimony to the great success of the Filipinos in governing themselves.

We Americans may be justly proud of that success. For our object and aim has always been to train the Filipinos in the practice of self-government and to prepare them for ultimate independence. It is my firm conviction that the Americans have educated the Filipinos in the school of self-government more thoroughly and effectively than any other nation has ever trained a dependent people in the history of the world. The rest the Filipinos must do for themselves. It is for us to give them the opportunity by granting them complete independence.

As I have already said the only remaining condition we have imposed upon them as a prerequisite to independence is the establishment and maintenance of stable government. And that condition they have fulfilled. A dozen years ago, in his farewell message to Congress, President Wilson certified to its fulfillment and pointed out the corresponding obligation of the American people. Listen to his moving appeal:

"I respectfully submit that this condition precedent having been fulfilled, it is now our liberty and our duty to keep our promise to the people of those islands by granting them the independence which they so honorably covet."

The Filipinos are grateful to Americans for training them in the ways of self-government. And, in spite of delays on our part, they have always maintained their confidence that we would eventually bestow upon them complete independence. They have always been loyal to us. In the terrible days of the World War the first act of the Philippine Congress, which opened on October 17, 1917, was the passage of a resolution affirming the adherence of the Filipino people to the cause of the United States. That action of the Philippine Congress was an impressive and moving vindication of our Philippine policy—the policy of liberty, home rule, and eventual independence.

JINGO ARGUMENT UNWORTHY

In the United States we have some jingoes and imperialists whose political philosophy is that of earlier and barbarous ages which conceives of dependent countries as the property of the conqueror or sovereign. They speak of the Philippines as our possessions and calmly assume we may do what we like with them. This is too barbarous to be taken seriously; it is not callousness of heart, it is only muddle-headedness. Do we—you and I and other Americans or the municipal or State or National governments we appoint as agents—do we own a single Filipino? Is he ours? I own my house and may sell or let it. But no one, thank God, can anywhere in Christendom to-day own a man. Do we then own the land which the Filipinos inhabit? Not an acre of it. It is owned by the men who grow rice, tobacco, sugar, hemp, and other products for which the archipelago is so well known. What then does the sovereign power possess in its possessions? Perhaps the right to tax them for its own benefit or the right to exact tribute of them? No. The conscience of mankind forbids the exploitation of subject races as well as their enslavement. Does the sovereign power then possess nothing in its colonies? The sovereign power owns nothing; but there is something it owes. It is charged with the responsibility of government. This is a tremendous responsibility. Happily we shall be relieved of it when we fulfill our promise of granting the Filipinos their independence.

But if our jingoes and imperialists disregard the solemn promise of Congress and the American people to grant independence to the Filipinos and much larger groups of Americans are to-day insisting on Philippine independence as an indispensable cure for their economic ills. Our farmers want protection in our home markets against competitive Philippine products. American labor also demands protection from unrestricted immigration of Filipino laborers. Our own economic interests, therefore, strongly reinforce the demand of the Filipinos for complete independence. Delay in solving the Philippine problem will therefore work not only in-

justice to the Filipinos, which is a grievous wrong, but also injury to our own economic interests, which is intolerable at this time of universal depression and widespread unemployment.

ECONOMIC READJUSTMENTS NECESSARY

Any plan for Philippine independence must provide for a satisfactory adjustment of economic conditions and relationships, as stated in the report accompanying the Hawes-Cutting bill of February 24, 1932. "The existing free-trade relations between the United States and the Philippines can not be terminated abruptly without serious injury to Philippine economic interests and American trade with the islands. Both require a definite time to prepare for the change. Investments made on the basis of free trade must be given sufficient time for adjustment or liquidation without loss. Philippine industries must be given time to establish themselves on a competitive basis before they are placed outside the tariff walls of the United States."

The terms of the Hawes-Cutting bill differ only in detail from those of the Hare bill, which was reported to the House of Representatives March 15, 1932. As I have not time to summarize both bills I give Representative HARE's enumeration of the salient points of his bill, as follows:

"The Filipino people are authorized to adopt a constitution and institute the government of the Commonwealth of the Philippine Islands which will exist pending complete independence. Under such government they will enjoy complete autonomy as to domestic affairs, subject only to certain reservations intended to safeguard both the sovereignty and the responsibilities of the United States.

"Pending final relinquishment of American sovereignty the free importation of certain Philippine products into the United States shall not exceed specified limits based upon the status quo as represented by estimated importations from existing investments.

"Pending independence, Philippine immigration to the United States is limited to a maximum annual quota of 50.

"On the 4th of July immediately following the expiration of a period of eight years from the date of the inauguration of the government of the Philippine Commonwealth, American sovereignty will be withdrawn and the complete independence of the Philippine Islands formally recognized. Thereupon the Philippines, to all intents and purposes, will become a country foreign to the United States.

"The United States reserves the right and privilege, at its discretion, to retain and maintain military and naval bases and other reservations in the Philippine Islands."

DIVERGENT VIEWS HARMONIZED

One of these bills, or a similar bill, should be enacted into law by the Congress meeting next month. The legislation proposed harmonizes previous divergent views of different groups likely to be affected by Philippine independence. These include the three national farm federations and the dairy organizations, as well as the American Federation of Labor, the American Legion, and other organizations. The proposed legislation is also satisfactory to the Filipinos. That is a consideration of primary importance, for, as between a weak people like the Filipinos and a strong nation like our own, we can not be too scrupulous in doing them ample justice.

Finally, the proposed legislation fulfills our promise of granting independence to the Filipino people. It will not derogate from American honor and good faith that material forces have combined with moral and political forces in bringing about the final result. These two sets of forces have always operated on the minds, both of the people of the United States and the people of the Philippine Islands. In politics, as elsewhere, men are at once realistic and idealistic.

So I close. America for the Americans, the Philippines for the Filipinos, and government of the people, by the people, for the people as the ideal of all nations. To inaugurate in the Orient a republic dedicated to that ideal is, I believe, the glorious mission and the supreme duty of America in the Philippines.

JOINT COMMITTEE ON INAUGURAL ARRANGEMENTS

Mr. MOSES submitted a concurrent resolution (S. Con. Res. 36), which was read, considered by unanimous consent and agreed to, as follows:

Resolved, by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President elect of the United States on the 4th day of March next.

WATER RESOURCES OF THE SAN PEDRO RIVER, ARIZ.

Mr. ASHURST submitted the following resolution (S. Res. 292), which was referred to the Committee on Irrigation and Reclamation:

Resolved, That the Committee on Irrigation and Reclamation, or a duly authorized subcommittee thereof, is authorized and directed to make a complete investigation respecting proposed legislation providing for the ultimate utilization of the water resources of the San Pedro River, in the State of Arizona, including irrigation, reclamation, flood control, and power development. For the purposes of this resolution such committee or subcommittee is authorized to hold hearings, to sit and act at such times

and places within the United States, and to employ such clerical and stenographic assistance as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The committee or subcommittee is further authorized to send for persons and papers, to administer oaths, and to take testimony, and the expense attendant upon the work of the committee or subcommittee shall be paid from the contingent fund of the Senate, but shall not exceed \$2,000. Such committee or subcommittee shall make a report of the results of such investigation with recommendations to the Seventy-third Congress, first session.

CONSTRUCTION OF THE HOOVER DAM

Mr. ODDIE submitted the following resolution (S. Res. 293), which was referred to the Committee on Irrigation and Reclamation:

Resolved, That the Committee on Irrigation and Reclamation, or any duly authorized subcommittee thereof, is authorized and directed to investigate conditions existing in the Boulder Canyon project Federal reservation and the operations of the Six Companies (Inc.), and the officers of the Department of the Interior, with respect to the construction of Hoover Dam, and particularly with a view to ascertaining all facts relating to (1) the store operated by the Six Companies (Inc.), (2) contracts for the housing and feeding of employees of the Federal Government and the Six Companies (Inc.), and (3) the taxation of property and incomes within such reservation. The committee shall report to the Senate as soon as practicable the results of its investigations, together with its recommendations, if any, for necessary remedial legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-second Congress until the final report is submitted, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

FUNERAL EXPENSES OF THE LATE SENATOR JONES

Mr. DILL submitted the following resolution (S. Res. 294), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Wesley L. Jones, late a Senator from the State of Washington, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

FUNERAL EXPENSES OF THE LATE SENATOR WATERMAN

Mr. COSTIGAN submitted the following resolution (S. Res. 295), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Charles W. Waterman, late a Senator from the State of Colorado, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

MARY F. M'GRAIN

Mr. WATSON submitted the following resolution (S. Res. 296), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1932, to Mary F. McGrain, widow of John J. McGrain, late the Deputy Sergeant at Arms and Storekeeper of the Senate, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PRICES OF AGRICULTURAL COMMODITIES

Mr. CONNALLY submitted the following resolution (S. Res. 297), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make an investigation of the prices of agricultural implements manufactured in the United States, and of the cost of production and all other matters relating to the manufacture and sale of such implements, with a view to ascertaining particularly (1)

whether the companies which manufacture and sell such implements are or have been engaged in monopolistic or other practices in restraint of trade or commerce, and (2) whether any such implements manufactured in the United States have been or are being sold in foreign countries at prices less than those at which they are sold in the United States. The committee shall report to the Senate as soon as practicable, but not later than the expiration of the second session of the Seventy-second Congress, the results of its investigations, together with its recommendations, if any, for necessary remedial legislation.

For the purposes of this resolution the committee or any duly authorized subcommittee thereof is authorized to hold such hearings, to sit and act at such times and places during the second session of the Seventy-second Congress until the final report is submitted, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

CROP SURPLUSES AND THEIR CONTROL

Mr. BANKHEAD. Mr. President, I ask unanimous consent, if that is necessary, to address the Senate at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Alabama is recognized.

Mr. BANKHEAD. I ask the indulgence of the Senate for some observations on the subject of crop surpluses and their control, and a plan for that purpose.

The last Democratic platform declared in favor of "the effective control of crop surpluses, so that our farmers may have the benefit of the domestic market." This declaration means, as I understand it, that crop surpluses should be controlled so as to avoid the well-known price-depressing effect of surpluses.

It is recognized that the size of the surplus of any crop is a very large factor in making the price of that entire crop. The course of general business and the financial status of all of our people is charted by the direction agricultural prices take. Until agriculture is rescued and purchasing power is restored to more than 50,000,000 rural population there can be no return to general prosperous conditions. There is no problem before the American people which so vitally touches our entire financial fabric.

To secure a fair and reasonable price there must be an avoidance or control of the surplus. We are confronted with the question, What is the best way to control our crop surpluses? Only three ways are possible:

First. Find additional markets in foreign countries.

At this time that seems impossible at fair and reasonable prices, based upon the cost of production.

Second. Buy the surplus out of the markets and hold it for future eventualities.

The Federal Farm Board tried that plan. I have heard of no Member of this body who desires to try it again. There are probably some who are willing to try to control crop surpluses under the equalization-fee plan. The only difference I recognize in the equalization-fee plan and the Farm Board stabilization plan is that the money for buying the surplus by the Farm Board was furnished by the taxpayers and the money for buying the surplus under the equalization-fee plan would be furnished by the farmer producers. A mere change in the source of the purchase money can not change the effect of the purchase.

Third. Prevent a surplus.

This plan has never been resorted to in this country. It goes directly to the root of the evil. It eliminates the injurious effects on the price of the quantity for which there is a ready market. It removes the economic waste of producing things for which there is no sale. It releases land for other uses. It saves time for other undertakings. It conforms to the inexorable economic law that a supply commensurate with the demand controls the price. There is no way, consistent with the rules and practices of trade and with established and proven laws of economics, to enjoy the benefits of domestic or foreign markets without adjusting the supply to the requirements of the markets.

Under this economic law the term "demand" does not mean the needs and consumptive capacity of all the people.

It does not mean a quantity that could be used and that is actually wanted by potential consumers. It does not include the altruistic and worthy sentiment that all who need are to be included in the computation. The rule is one of trade economics based upon two factors: (a) The demand, supported by the money or its equivalent to execute it, and (b) the quantity of the commodity offered to meet the demand. The demand as thus recognized is fairly steady and fixed for basic farm commodities. It varies somewhat with abnormal changes in the purchasing power of the people, but such fluctuations are susceptible of reasonable anticipation and approximate ascertainment. That premise being granted, the next step in complying with the rule of supply and demand is to adjust the supply to the market requirements.

Agriculture is at insurmountable disadvantage as compared with industry in the domain of voluntary and co-operative control of its commodity supply. The two groups differ very widely in numbers. When the salesman for the manufacturer offers his wares he quotes a price fixed by the seller. When the farmer offers his products he asks what the buyer will pay. The industrialist can maintain his price, subject to competitive conditions. The farmer must take what is offered. If the price obtainable is not sufficient, the manufacturer can reduce his output or shut down his plant and wait for a better season. The farmer can not take his vegetables and fruits and grain and cotton back home and keep them. His financial situation requires him to take the market offer. He has nothing to say about the price of his products. It is impossible for him to keep perishable products. He has no adequate facilities for storage and protection of nonperishable commodities, and if he did have, his cash requirements, receivable in the main only once a year, makes impossible that procedure. When there is a surplus offered the farmer must accept a forced sale price.

The relative price situation is made clear by a report of the Department of Agriculture on May 15, 1932, showing that the price level of agricultural commodities was 56 per cent of what it was during the 1910-1914 period, and the price level of commodities farmers must buy was 112 per cent of same period.

There is no just reason for this marked difference. It is explainable only on the fact that industry, by reason of the smaller numbers and better organization, can avoid dumping surpluses on the markets and thereby breaking the prices, while farmers can not so protect themselves.

The millions of farmers are widely scattered. They are unorganized. They differ in viewpoints and in financial standing. Many of them are tenants and croppers; many operate on borrowed money and supplies bought on credit. They are unable by voluntary cooperation to control the quantity to be offered for sale, or to withhold sales on account of prices. With a surplus they are practically forced to break the price for the entire crop.

The conditions I have briefly outlined clearly indicate the advisability of some remedial legislation to aid the farmers to effectively control their crop surpluses. If their purchasing power can be adequately restored, a home market will take ninety-odd per cent of the products of mills and factories. Labor will find employment and will be consumers of agricultural and industrial production.

The elimination of crop surpluses will certainly tend to increase prices. A striking illustration may be found in very recent prices for domestic wheat in France, Italy, and Germany.

The Bureau of Economics of the Department of Agriculture recently issued a statement showing that domestic wheat is selling in each of those countries at approximately \$1.25 a bushel. At the same time the farmers in this country were getting less than 35 cents. We had a surplus. The other countries mentioned did not produce enough wheat to meet their requirements. The price was sustained there by a tariff plus legal regulations requiring a certain per cent of home-raised wheat to be used by the millers.

Our position is different because of our surplus. If we can avoid the surplus, the producers should be able to secure

the world price plus the tariff for the quantity consumed in the United States. It would be much easier to control the surplus of wheat than of cotton. On an average less than 20 per cent of the wheat crop is exported, while only about 40 per cent of the average cotton crop is processed in this country and about 9 per cent of that processed goes abroad. The average annual wheat yield is about 800,000,000 bushels. This year's average price will probably not exceed 40 cents a bushel to the farmer. If the supply is reduced 25 per cent, the 42-cent tariff could well be added to the world price by the producers demanding that domestic price. Eight hundred million bushels, if sold for 40 cents a bushel, would bring \$320,000,000. Six hundred million bushels, if sold at 82 cents a bushel, would bring \$492,000,000. That would be an increase of more than 50 per cent in the gross amount received by the farmers, and the reduction in cost should also be considered. It is easily understandable how, with the surplus eliminated and the tariff rate increased, the price could reach \$1 a bushel.

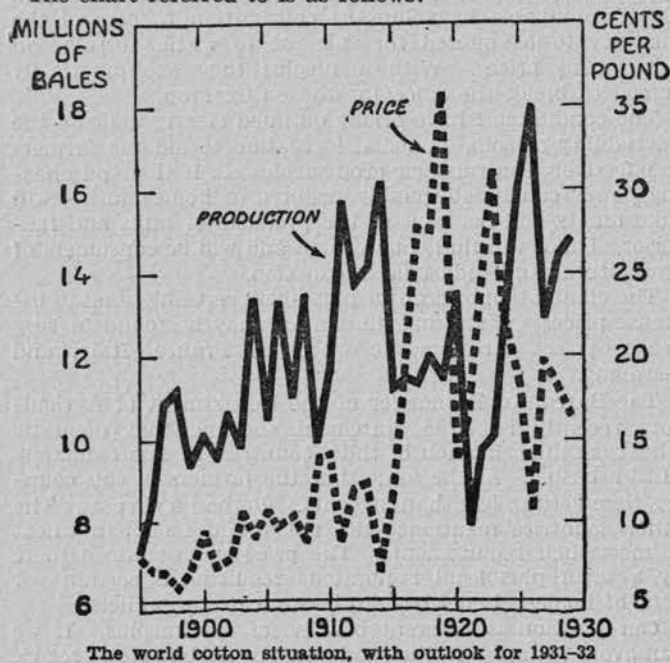
On account of the small percentage of cotton consumed at home, the cotton problem is more difficult than wheat. We are now confronted with a carry-over of 13,000,000 bales of American cotton. That is more than enough to supply the world consumption of American cotton for another year if no cotton is raised in our country during 1933. No one can reasonably expect the price to advance to cover the cost of production, with such an unprecedented supply. From 1915 to 1924, inclusive, the acreage planted to cotton averaged 34,000,000 acres. From 1925 to 1930, inclusive, the acreage averaged nearly 45,000,000 acres. The acreage and the production have increased out of all proportion to the increase in consumption. The carry-over has constantly increased and with the inevitable result, declining prices. That situation had developed prior to 1930 and the price would have continued downward if there had been no depression. Of course, the world-wide depression accelerated the downward trend. It is my conviction that a fair and reasonable price can not be regained until the larger part of the carry-over has been consumed and the amount of production greatly reduced.

In normal times, the price of cotton rises and falls in almost exact proportion with an increase or decrease in the size of the crop. This statement is supported by a chart issued by the Bureau of Economics of the Department of Agriculture, based upon actual experience for 30 years.

I have before me the chart referred to, and ask unanimous consent to have it inserted in the Record at this point in my address.

The PRESIDING OFFICER (Mr. GOLDSBOROUGH in the chair). Without objection, it is so ordered.

The chart referred to is as follows:



Mr. BANKHEAD. Mr. President, the effect of the size of the crop upon the amount of money received by the farmers may be helpful in our consideration of this problem.

The following figures are taken from the Yearbook of Agriculture, 1930, page 680:

	Production, 1,000 bales	Price per pound re- ceived by producers Dec. 1	Farm value
		Cents	1,000 dolls.
1923.....	10,140	31.0	1,571,829
1924.....	13,628	22.6	1,540,884
1925.....	16,104	18.2	1,464,032
1926.....	17,977	10.9	982,736
1927.....	12,955	19.6	1,269,885
1928.....	14,478	18.0	1,301,796
1929.....	14,828	14.4	1,225,032

Thus it will be seen that in 1923 with a 10,000,000-bale crop following two short crops caused by the advent of the boll weevil, the price to the farmers was 31 cents per pound and the farm value was \$1,571,829,000.

In 1926, when the crop was 18,000,000 bales, the largest crop ever produced in this country, the price to the farmers was 10.9 cents per pound and the farm value \$982,736,000.

For a crop in 1923 of 8,000,000 bales less than in 1926 the farmers received \$589,000,000 more. General economic conditions during the two years were practically the same. If there was any difference, 1926 was better than 1923.

Let us compare the crop of 1927 with that of 1926. We all know that economic conditions throughout America and throughout the world were practically the same during those two years. In 1926, as will be recalled, the crop was 18,000,000 bales. In 1927 the production fell to 12,955,000 bales. The farm price was 19.6 cents per pound. The farm value was \$1,269,885,000.

For 5,000,000 bales less than was produced the preceding year the farmers received \$287,149,000 more, traceable solely to one fact and one fact alone, and that was the size of the surplus brought about by the great crop of 1926.

These official figures, furnished by the Bureau of Economics of the Department of Agriculture, prove conclusively that it is to the best interest of the farmers and of our country to limit the supply to meet the demands of the market. In normal times, with a normal carry-over, every increase of 1,000,000 bales in the size of the crop has decreased the price about 1 cent per pound and correspondingly every reduction of 1,000,000 bales has increased the price about 1 cent per pound.

Under prevailing conditions and with the all-time record for quantity carry-over, the proposition I am discussing is sustained by recent official estimates of the size of the 1932-33 cotton crop. When the August estimate disclosed a crop of a little over 11,000,000 bales and was followed by bad weather conditions for a few weeks the price advanced about 3 cents a pound. It went up from about 6 to about 9 cents a pound. That brought a general feeling of cheer and optimism to the people of the Cotton Belt. The September report indicated a larger yield. That was followed by good weather and a still larger estimate in the October report. When it became evident that the production would equal the consumption and there would be no reduction of the surplus, the price dropped below 6 cents a pound.

There was a fluctuation of 3 cents a pound within six or eight weeks, without any change in economic conditions, based solely upon information about the size of the crop.

But it has been suggested that a reduction of supply and the consequent increase in price will promote an increase in production abroad and a corresponding loss of our markets.

There are two answers to this suggestion, both of which are satisfactory to me:

First. It is better for us to lose some of our markets than it is to pauperize our cotton farmers in order to hold foreign markets for the benefit of others.

Second. The suggestion is not supported by the experiences of the past or by other supporting facts.

Our principal cotton-growing competitors are India, Egypt, China, and Russia, and, as a matter of fact, China and Russia export practically no cotton. In India there was produced in the year 1925-26, 5,200,000 bales. Since that time the production for no year has equaled that amount. Their cotton is inferior in grade to ours. In China there was produced in the same year—1925-26—2,100,000 bales. Since that time the production for no year has been as much as 2,000,000 bales. In Egypt there was produced in the same year 1,650,000 bales. Since that time the production for no year has equaled that amount. The Egyptian cotton is long staple and fills an entirely different demand from our cotton. Satisfactory information from Russia is not obtainable, but it is believed that Russia, while having a grade of cotton comparable to ours, has a very limited additional acreage suitable, under economic development, for cotton production. At any rate, we can not adopt our present policies upon the basis of a fear of what may come out of Russia. At present Russia is not a serious competitor in the world markets for cotton.

I am also proposing reciprocal agreements with other exporting countries covering the subject of world supply. Further explanation of that phase of the problem will be made before I conclude this address.

Viewing the whole world situation as it relates to actual and potential production and the destructive effect of overproduction in our country, it seems that it is our duty to accept and adopt any economically sound plan which will increase the price of one of America's greatest money-producing crops. I assert that it can be done.

With the indulgence of Senators, I will proceed to state how it may be done. The plan that I propose may be applied to wheat and other farm commodities. I shall explain it in terms of cotton.

Three problems are involved:

First. How to reach a decision on the quantity to be offered for sale.

Second. A plan for fair and just apportionment to individual farmers.

Third. An effective method of enforcing the proposed reduction in the supply.

Let us deal with these problems in their order.

First. The quantity: I introduced a bill during the last session to regulate the supply of cotton in interstate and foreign commerce. The plan then proposed for reaching a decision on the quantity was by vote of owners of land used in cotton production, the vote to be taken through the mails under detailed regulations set out in the bill. On further reflection, I have concluded that a less cumbersome way may be used. A board may be created to be composed of the Secretary of Agriculture, the Secretary of Commerce, and the commissioner of agriculture, or similar officer, in each State where the commodity is grown in quantity. This board would be given the power to fix the quantity of cotton or other agricultural commodity involved that could be legally transported during a calendar year, in interstate and/or foreign commerce. The pending bill fixes the quantity of cotton to be supplied next year at 50 per cent of the amount harvested in 1931-32. We had a large crop that year, with a good yield all over the Cotton Belt—or about 8,000,000 bales.

Second. Apportionment: Apportionment to individual landowners calls for the only machinery under the plan. The total annual production for the preceding five years is used as a basis, and an average yearly yield is found. Suppose the 5-year average has been 15,000,000 bales, which is approximately what it has been. The 5-year average for each State and each county is then ascertained. These findings involve nothing more than an examination of the records of the Departments of Agriculture and Commerce. If the board finds that a reduction of 33⅓ per cent should be made, then each State is allotted its proportion of 10,000,000 bales, and each county is allotted its proportion of the State's total.

The next step is the allotment to the landowners in the county. That would be done upon the same basis of a

5-year average on each farm engaged in cotton production. If 15 bales has been the average, the owner would have the right to sell 10 bales for shipment in interstate or foreign commerce. Under this plan there would be a uniform and equalized reduction in every section of the cotton area and every owner would be placed upon exactly the same basis of proportionate reduction.

At first blush it may appear that it would be a most difficult and expensive undertaking to make the individual allotments, but such is not the case. Fortunately, the machinery is now in existence for doing the work and for doing it at a very small additional expense. There is in practically every county an extension-service agent whose entire work is dealing with the farmers of his county. This agent is required, under the plan, to make the apportionment to the various landowners. Each landowner is required to submit to the agent an affidavit showing his production during each of the preceding five years. Witnesses may be examined and ginners' records inspected. By using five years a fair average is secured, notwithstanding weather and other conditions which may differently influence the size of the crop in different localities. When the allocation is once made very little work will thereafter be required by the agent, except to make small adjustments for land going out of production and for new land coming into production, for which a small percentage of latitude is allowed.

Third. The subject of enforcement: Assuming that the reduction in quantity can be fairly adjusted between the producers, we approach the problem of enforcement of the new arrangement. For that purpose the commerce clause of the Federal Constitution is invoked. I know of no power in Congress to limit production directly, or to control in any way the number of acres that a landowner may plant.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BANKHEAD. With pleasure.

Mr. LONG. We found out that the sabbatical year would be allowed for the purpose of preventing pests. Congress in all legislation has a right to prevent pests, the spread of disease, the boll weevil, and other things of the kind. Congress would have the right to prohibit the planting of a crop for a year.

Mr. BANKHEAD. I may say to my friend that possibly he is right on his legal statement; but that proposition involves, as I know the Senator recognizes, the complete prohibition of a crop at all. For that reason I do not advocate that plan. This is intended as a permanent plan, to work year in and year out; and in recognition of that I do not advocate a complete cessation of the raising of cotton. We are in accord upon the legal question that the Senator has presented. As I stated, however, I know of no power which gives Congress authority directly to limit the production of any crop, nor to deal in any way with acreage limitation. We all recognize, however, the provision in the Federal Constitution which grants the Congress the power to regulate commerce between the States and with foreign countries. So, for the first time, so far as I know, the suggestion has been presented to Congress in concrete form that the power to regulate interstate and foreign commerce should be used as an aid to the farmers, to place them in a position somewhat like that of industry, namely, to regulate and control the supply in interstate commerce.

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Nevada?

Mr. BANKHEAD. Certainly.

Mr. PITTMAN. I do not know that I remember exactly the decision of the Supreme Court in the child-labor case under the first act; but I believe an opinion was rendered in that case to the effect that without a further constitutional amendment or authority of Congress, if the goods manufactured by child labor were not in themselves detrimental to the rest of the country the power of Congress to prevent the transportation of those goods under the interstate commerce clause was questioned.

Mr. BANKHEAD. I will say to the Senator that I am familiar with the child-labor case. It is not my purpose on this occasion to go into a discussion of the constitutionality of this bill. I am prepared to do it if the bill ever reaches that step in its progress. I will say to the Senator, however, in passing, that I do not regard the decision in the child-labor case as conclusive. I think it was based upon the exercise of the police power of the State, rather than a mere direct effort to regulate interstate commerce. I will also point out to the distinguished Senator, for whose legal talents I have the very greatest respect, that that was a decision by a divided court of 5 to 4; and in a later case the Supreme Court went out of their way to incorporate in another decision the statement that if the question came before them again they would reconsider it.

Mr. PITTMAN. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield further to the Senator from Nevada?

Mr. BANKHEAD. Yes, sir.

Mr. PITTMAN. I had simply raised the question for the purpose of having the Senator distinguish that particular question.

Mr. BANKHEAD. I am delighted to have the thoughtful inquiry and suggestion of the Senator.

The plan proposed, as I have stated, provides that a license shall be issued to the landowner authorizing him to ship in interstate and/or foreign commerce the quantity allotted to the landowner, and that it shall be unlawful to transport the commodity or the manufactured products thereof in interstate or foreign commerce without a farmer's supporting license. By requiring cotton mills located in cotton-growing States to have a supporting license for the quantity of raw cotton necessary to process the cotton goods shipped, it is made impossible for unlicensed raw cotton to legally escape through the cotton-mill route. I assume that the same principle would apply to processed products of wheat, to wheat that went into flour. Under this bill, at least, a supporting license would be required to ship flour.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BANKHEAD. Yes.

Mr. ROBINSON of Arkansas. With no purpose whatever of raising difficulty for the Senator—

Mr. BANKHEAD. I am delighted to have any inquiry the Senator propounds.

Mr. ROBINSON of Arkansas. He is making a very interesting and instructive discussion. We all know, taking the illustration that is running through the Senator's argument, that for one cause or another sometimes a given area of land in one season will produce twice as much as in another season. Assuming that it is the purpose of the cotton grower to limit his production as nearly as may be practicable to the quantity that may be shipped under the license which the Senator's proposal contemplates, but that in a given season the production far exceeds the amount that he would be permitted to ship in interstate commerce, what disposition could be made of the surplus which inevitably would arise under the conditions I have described?

Mr. BANKHEAD. I am glad the Senator inquired, because I have, of course, given thought to those phases of the problem, and I welcome any question by anyone interested in this subject.

Under the statement of facts presented by the distinguished Senator, the plan really requires the farmer or producer to carry his own surplus until he either consumes it, if it is something that he can consume at home, or until, as the Senator mentioned, because of weather conditions in some later year his crop is reduced below the estimate for which he planted it. Then he can use the cotton in his barn or in the warehouse, or wherever he may keep it, to make up his allotment for the year in which weather conditions made his crop short.

The bill provides for the continuance of the license from year to year until the producer has supplied his full quantity, having in mind the very proposition the Senator stated,

as well as his loss by reason of failure to produce his full quantity because of weather conditions. Then he still has a license for cotton making up his proportion of the total amount, but of which he was deprived on account of weather conditions; and by carrying that into the next year, the average for the two years or three years or any other number of years will not be increased. It will simply be a little more in a succeeding year when weather conditions have made the crop short in some sections of the country. Do I make myself clear?

Mr. ROBINSON of Arkansas. Yes. The Senator's answer has been very clear, but it has not extended to the limit of the point I had in mind.

Let me make that a little more easily understood.

Assume that a planter or a cotton grower has 100 bales of cotton or 5 bales of cotton, as the case may be, in excess of the amount he may ship in interstate commerce. Does the Senator's plan contemplate any method by which that cotton may be kept off of local markets?

One can easily conceive that cotton mills would be located in all the cotton-producing States. They would naturally try to get the product as cheaply as circumstances would permit, and they would buy up and manufacture the surplus at whatever price they could obtain it for; and there would not be complete control, as would at first seem contemplated by the employment of the power to regulate commerce vested in the Congress. Have I made myself clear?

Mr. BANKHEAD. I understand the Senator; yes; and I am prepared to answer his question.

Mr. ROBINSON of Arkansas. Very well.

Mr. BANKHEAD. I will say that the Senator's clear mind went directly to the only place in the plan that would permit any "bootlegging" of cotton. There are two elements involved in the question. The Senator speaks of local millers buying up cotton. The Senator must bear in mind—of course, I know he is not yet familiar with all the details—that the cotton spinner could not ship in interstate or foreign commerce any goods manufactured from raw cotton without the supporting license of the farmer.

Mr. ROBINSON of Arkansas. Just a minute, though.

Mr. BANKHEAD. Let me finish the second thought. I may anticipate the Senator.

Mr. ROBINSON of Arkansas. Very well.

Mr. BANKHEAD. Here is the only place, I say, where there is a possibility for any leakage, and that is that if the cotton miller has a local demand within his State for cotton goods, of course, he could manufacture for that local demand and deliver the product within the State without having a farmer's supporting license.

Mr. ROBINSON of Arkansas. Yes.

Mr. BANKHEAD. But that is entirely negligible, as the Senator, being from a cotton State, doubtless knows, and certainly would constitute a most negligible proportion of the cotton crop.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield further?

Mr. BANKHEAD. I do.

Mr. ROBINSON of Arkansas. The first answer is based on the hypothesis that it is within the power of Congress to prevent the shipment in interstate or foreign commerce of manufactured articles made from cotton which in themselves are not in any sense detrimental to the public health, morals, or safety.

Mr. BANKHEAD. That was a question which the able Senator from Nevada raised.

Mr. ROBINSON of Arkansas. I understand that. I have discussed the subject personally with the Senator from Alabama, may I say, and have been very much impressed with the forcefulness of his proposition. But this is to me a difficulty which may well receive consideration, since if it is not within the power of Congress to exclude from interstate or foreign shipments commodities manufactured out of a product which is not detrimental to the public health, morals, or safety the plan would fail.

Mr. BANKHEAD. I will make a brief reply to that, without having reviewed the decisions within the last few months or having them available for direct reference. It is a subject to which, naturally, I have given a good deal of consideration.

Mr. LONG. Before the Senator explains that will he yield a moment?

Mr. BANKHEAD. I yield.

Mr. LONG. I want to develop that question just a little more. If you simply undertook to prevent the cotton goods being spread by interstate commerce, it would tend to have mills locate within the areas where the goods were to be consumed, because in that case they would have a distinct advantage.

Mr. BANKHEAD. They are located in every cotton State, and the Senator must recall that only 6,000,000 bales all together are consumed in America and that 9 per cent of that 6,000,000 bales is shipped abroad. I know the Senator is aware of the fact that a very large proportion of cotton goods consumed in his State and in my State and in all the other cotton States is not made without our States.

Mr. LONG. That is right.

Mr. BANKHEAD. Because they are a class of goods and a quality of goods which our mills do not produce. We ship them in.

As I stated, there is a possibility of some small loss there, which can well be considered and accounted for in the decision of the board as to the quantity which could be shipped in interstate and foreign commerce.

Mr. BLAINE. Mr. President, will the Senator yield?

Mr. BANKHEAD. I have yet to answer a question asked by the Senator from Arkansas, but I will be glad to yield to the Senator from Wisconsin.

Mr. BLAINE. I did not want to interrupt the Senator in answering the Senator from Arkansas, but I was going to inquire whether the Senator's plan contemplates that the surplus of cotton shall not be sold in the domestic market.

Mr. BANKHEAD. The plan is not the allotment plan. It is simply to provide for a control of the surplus for the purpose of influencing the world price; because we produce more than 50 per cent of the cotton of the world, and certainly the size of our surplus, as has been shown by experience here over many years, controls the world price of cotton, and the world price is the domestic price.

Mr. BLAINE. But, if the Senator will permit, if the surplus cotton can be sold in the domestic market, how is the law of supply and demand to be overcome by the Senator's suggestion?

Mr. BANKHEAD. I do not undertake in any way to separate the domestic and foreign consumption. The plan limits the amount which can be sold in the cotton markets. Knowing the probable consumption of American cotton, which is all the time fairly well known, both domestically and in our customer countries abroad, assuming that the consumption for a year is 12,000,000 bales, then the proposition here provides that only 12,000,000 bales will enter both the domestic and the foreign markets combined, and that the same price prevails for the cotton used here and the cotton used abroad. In other words, I make no effort to get away from the world price of the commodity involved, but attempt simply to do the best thing to regulate and influence and control that price.

Mr. BLAINE. He can not sell it in the domestic market.

Mr. BANKHEAD. If the Senator will permit me, there is no limitation against his selling it if he can find a buyer; but the difficulty is that he will not find a buyer.

Mr. BLAINE. There will be no buyer on account of the limitation of the amount.

Mr. BANKHEAD. That is true.

Mr. BLAINE. Therefore the effect would be that he would either have to store the cotton indefinitely or destroy it.

Mr. BANKHEAD. Yes. That feature of it removes the carrying of the surplus, as was done by the Farm Board, or as would be done under the equalization fee. It shifts it to the farmer to carry his own surplus if he produces over the

amount for which he has a license to ship in interstate commerce.

Mr. BLAINE. So whatever penalty is to be paid on account of the production of the surplus, the individual cotton producer must pay that penalty, either in the destruction of the surplus or in holding it over or dumping it into the sea.

Mr. BANKHEAD. It is to relieve us of the possibility of a surplus—to avoid a surplus. The hope is that the farmer will see the advantages of having no backlog threat to the price, and I may say with perfect frankness that if the plan does not have the effect of bringing about a voluntary reduction by the producers because of the fact that they can ship but a limited amount, if it does not bring about a reduction, then I concede that it will not be effective. But, in my judgment, where a farmer has a license for a fixed amount of cotton or wheat, and knows that during the next season he can not sell any more—realizes that the smaller amount will bring him more money than the larger amount—I think he will endeavor as best he can to adjust his crop to his license. Whatever variation there is, as I have explained, if he makes some over, he must carry it until he has a shortage.

Mr. BLAINE. If the Senator will yield for just one more question, the plan, as the Senator has developed it here, is very clear to me, but there is nothing in the plan, of course—and this may be a very inapt question—which has any relation to the control of a cotton crop, which may be affected by the elements. That is, the farmer has no control over sunshine and shower, he has no control over drought, he has little control over the boll weevil. So he must suffer from the ever-changing conditions due to the elements in the production of his crop. I refer, of course, to the individual farmer.

Mr. BANKHEAD. I recognize the proposition presented by the Senator, and I think it is well provided for, because I use a 5-year average production on every particular farmer's land, and I think that will, in a reasonable way, cover good years and bad years.

Mr. BLAINE. That may be balanced.

Mr. BANKHEAD. That is the purpose of it. The advocates of the equalization fee have been contending that over a reasonable period of years the market would take all the production. I am applying here only an average on weather and crop conditions.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. BANKHEAD. I yield.

Mr. McKELLAR. I want to ask the Senator this: Assuming that his plan is constitutional, and we take a great industry like cotton raising and put it under a board which would have the power of licensing production in the various cotton States of the Union, is it not possible that we might give so much power to a board or a commission in Washington over this great crop as to further injure it, rather than to help the price? It seems to me that the plan would give enormous control to a board here in Washington, a board which might not be at all familiar with the cotton business, and might cause a great deal of trouble, instead of benefiting the price to the farmer.

Mr. BANKHEAD. There are a number of answers, of course, to the Senator's suggestion, but I think a sufficient one is that every measure introduced in the Congress on the subject of farm relief, some of which I assume the Senator has been supporting, has placed similar power in the hands of some board—the equalization fee, the allotment plan, the debenture plan, and all others.

Mr. McKELLAR. That is one of the troubles; those limitations and restrictions and inspections of cotton, and the control of the cotton industry generally, are being very greatly complained of in my State. The cotton producers say that Congress has already put too large a control in the hands of bureaus and commissions here, and I am not so sure they are not right. I just wanted to get the Senator's

views. I want to say to him that his plan interests me very much, and I will be delighted to give it the very best thought of which I am capable. But that is one of the objections to it, as it seems to me, that we would be giving too much centralized control here in Washington.

Mr. BANKHEAD. I will just say this in answer to the suggestion of the Senator from Tennessee. The board proposed is not a Washington board. It is composed chiefly of elected representatives of the people in their respective States. Not a single plan has been presented here for farm relief to which there are not theoretical objections based upon old, fundamental views of government. There is a plan known as the allotment plan which seems to be growing in favor, which authorizes a board or secretary to fix the prices of farm commodities, also to decide what are reasonable costs of production. There is the equalization fee plan, which authorizes the Farm Board to determine whether or not it shall be applied and what fee shall be fixed. There was a bill which had serious consideration at the last session, which I voted to recommit; I do not know how my friend from Tennessee voted. That bill made it unlawful for the producer of any farm commodity to sell his commodity at a price lower than that fixed by an agency or bureau of the Government.

So far as I am personally concerned, in view of the very great distress of agriculture in this country, in view of the absolute importance, as I see it, as the very first step in climbing out of this great depression, of increasing the agricultural-commodity prices and restoring purchasing power to the farmer, I have reached the point where these former theories of mine shall not control my action upon this great question, so long as it appears to me, or I have reasonable cause to believe, that the plan presented is workable, and will bring about the desired result.

We find the same type of farmers in the State of the Senator from Tennessee and in my State, adjoining States, and I do not believe that the people of our States would protest against any undue governmental interference which resulted in a certain increase in the price of their great basic commodity.

The Senator found no opposition when the legislation was pending on the Farm Board question. The opposition of the people and their protest has been against the way the law was executed, and the results of that law, rather than merely the setting up of some form of machinery to aid agriculture.

I believe that the farmers all understand—at least the average intelligent farmer will understand—that the price of cotton fluctuates and is governed by the size of the crop produced, and I believe that practically all of them are willing to reduce their production to meet the market requirements, under the assurance, and with the definite knowledge, that every other producer is going to make the same proportionate reduction.

I have no fear about the condition suggested by the Senator from Tennessee in his question, if in fact we decide that this solution of the problem will be beneficial and helpful. I am willing to take chances on the balance of it.

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. BANKHEAD. I am glad to yield.

Mr. GORE. I am rather inclined to share the fears indicated by the Senator from Tennessee [Mr. McKellar] as to the wisdom of requiring free men to take out a license to engage in legitimate business in a free country. I am afraid that along that line it might do more harm than good. But there was one point involved in the question of the Senator from Arkansas [Mr. Robinson] to which the answer of the Senator from Alabama did not quite go. I wish to ask the Senator if he has considered this possibility, that might meet the difficulty raised by the Senator from Arkansas.

The Senator's plan contemplates an annual allocation of 10,000,000 bales of cotton—

Mr. BANKHEAD. That was given as an illustration merely.

Mr. GORE. Yes; I so understood, and I am taking that as an illustration to raise this point. Suppose one-half of the Cotton Belt and one-half of the cotton farmers, because of weather conditions, had a shortage in their yield of 20 per cent. They would be scheduled at least 5,000,000 bales. A shortage of 20 per cent would reduce their production to 4,000,000 bales. On the other hand, in the other half of the Cotton Belt the other half of the cotton farmers might have an excess of 20 per cent, which would mean a production of 6,000,000 bales. Therefore, over the total cotton area the total production would be 10,000,000 bales. But under the Senator's plan the two halves together could dispose of only 9,000,000 bales.

I was wondering if the Senator had considered the possibility of permitting the board at some point during the marketing year to extend or relax the license of the farmers as they produced an excess of 20 per cent, because the two taken together would only meet the annual allotment of 10,000,000 bales, and to do this perhaps regardless of consumption in this and other countries.

Mr. BANKHEAD. I will say to the Senator that the weather conditions about which he speaks are covered under the 5-year-average plan and in addition the continuance from year to year of the license. But let me further say that if farmers in some sections are unfortunate and have a reduction in the quantity actually raised, they must still take the world price for that reduced quantity, whereas if the limitation uniformly applied to the total be limited to the world demand and the world requirements, they would get more money for their reduced crop than they would have had for the larger crop. If we let others flood the market, then over a period of years that would increase the surplus rather than hold it down on a level with the requirements of the market.

Let me bring another proposition to the attention of the Senate. I believe that the Senator from Arkansas [Mr. Robinson] has been called from the Chamber, and I shall not now undertake to answer further his question. I have been quite liberally diverted from it. When he returns I shall be pleased to make some further response to the constitutional phase of the question.

But let me ask the attention of wheat Senators as well as cotton Senators to this phase of the bill, as I regard it as being fraught with very helpful consequences and results. My bill provides that the President of the United States, on the joint recommendation of the Secretary of Agriculture and the Secretary of Commerce, may at any time increase the quantity allowed in interstate and foreign commerce over the amount originally fixed by the board. That has at least two fields of service. In the first place, if developments after the board's original finding are such that the requirements of the world are changed, that the market conditions have improved, and there is a demand for more wheat or more cotton, or new markets are found, then the President would have the power by proclamation to increase the quantity originally fixed and to authorize shipments accordingly.

There is another provision tied into this which authorizes the President of the United States to negotiate trade agreements with producing countries who export wheat and cotton. Let me say to Senators, though many of them doubtless know it, that in the last year at least two foreign countries engaged in the exportation of cotton applied to the United States for an agreement fixing and limiting the quantity to be put into the world market. Unfortunately we have no law under which the President could enter into such an agreement; and, far more important than that, we have no legal provision under which such a plan could be put into execution and applied all down the line with equality and justice to individual producers.

Let me remind my friends interested in wheat that we have three great exporting nations of wheat outside of America. We have Canada, Argentina, and Australia, two of them under the control of the same Government, in a way. With this authority and power given to the President,

suppose we could negotiate an agreement with those three great wheat-exporting countries by which the supply to be shipped into the markets of the world outside of their own countries could be limited, everyone knows—even a school-boy would know—the direct and helpful effect that would have upon the price of wheat. No one, I assume, disputes the effect of a surplus which can not be consumed and which can not be sold. By this power given to the President to limit the quantity fixed by the board he has the power not only to carry out under the law any agreement that is made with a foreign nation, but he is given the authority to say to them, "All right, if you are unwilling to reduce your production, if you are unwilling to limit your supply of wheat in some reasonable way in proportion to what your country has been doing, then I will take the limit off in America and let the war go on."

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BANKHEAD. I am glad to yield.

Mr. WHEELER. The Senator is talking about fixing the price of commodities in this country. I have been listening to his argument with a great deal of interest.

Mr. BANKHEAD. I am delighted. I have noticed the Senator's attention and am complimented.

Mr. WHEELER. He spoke about the price of wheat in Argentina being a factor, which it is. At the present time the currency or the money of Argentina has depreciated about 40 per cent. Assuming that Great Britain wanted to buy wheat in the world market and assuming that the price was 50 cents gold in the United States, that would mean that the Argentine farmer would get 70 cents for his wheat in his currency, and likewise it would mean, by reason of her depreciated currency, that her cost of production would be about 40 per cent less than it would be in the United States. Even with a 40-cent tariff upon wheat in the United States, unless the Argentine Government would agree and unless Russia, Canada, and Australia, who also would be competitors in the world market, would agree, they could still ship their wheat into the United States and depress the market by reason of their depreciated currency.

Mr. BANKHEAD. My answer to that is that this situation would doubtless result in an increase in the tariff upon wheat, especially in this country, to avoid the very consequences the Senator contemplates.

Mr. WHEELER. The trouble with that would be that they could further depreciate their currency, and the more they did it the higher we would have to raise our tariff.

Mr. BANKHEAD. That is possible, too, but we can not regulate the currency of foreign nations in handling this matter.

Mr. WHEELER. I appreciate that.

Mr. BANKHEAD. I think the Senator and I are very much in line on many features of the currency question, but that is a digression, that is a line of thought which is a diversion from what we are undertaking to do here, and I do not want to take time to go into a discussion of the settlement of our exchange rate and the adjustment of depreciated foreign currency. I want to say on that point to the Senator and to anybody else interested, and I hope he is in accord with my thought, that I regret the present position we occupy on the foreign-debt question, under which we are seeking to draw \$100,000,000 away from England in way of payment of the debts at this time, depreciating along with it the value of the pound sterling. As the pound sterling depreciates and lowers in value, in proportion almost, the wheat in the Senator's State and the cotton in my State are going down in price. So far as I am concerned on the subject of depreciated foreign currency, I am willing for some reasonable adjustment of the foreign-debt situation to be made which does not further drag down the currencies of our best customers and with them the price of basic agricultural commodities in America.

Mr. WHEELER. The point I wanted to make to the Senator is this: We have a tariff on manufactured products at the present time, but by reason of the fact that they have

a depreciated currency the foreign manufacturers are still able to dump over our tariff walls. The same thing is true of commodities of which we do not produce a surplus in this country. For instance, we have a tariff upon peanuts. Notwithstanding the fact that we do not produce a surplus of peanuts, at the present time the price of peanuts is depressed in this country by China, shipping peanuts into the United States. The question in my mind is whether or not, under the particular conditions we have in the world to-day, with the depreciated currencies, the allotment plan is going to work. My own view—and I will state it very frankly to the Senator—is that if the currencies of these various countries were on a par, then I think the allotment plan would possibly work, providing it would not build up such a tremendous bureaucracy here in Washington. I am trying to say to the Senator that with the present depreciated currencies, I do not think the equalization-fee or allotment plan or any other proposed legislation for the purpose of curtailing production in this country is going to affect very materially, if at all, the market price of what the farmer is going to produce.

Mr. BANKHEAD. It would affect only the domestic consumption, especially of wheat. However that may be, I do not want to trespass further upon the time of the Senate.

I shall not at this time discuss the constitutionality of the requirement for a license to ship ordinary commodities in interstate and foreign commerce. I have given careful consideration to that subject and have made painstaking investigation of the law. I am prepared to discuss it and will do so if the necessity arises.

My purpose in addressing the Senate at this time is to invite consideration of the plan which has been outlined. We had much talk at the last session about the necessity of rescuing agriculture, but nothing satisfactory to a majority was proposed. I am exceedingly anxious for action at this session looking to increasing the purchasing power of the farmer. It is the most important subject before this Congress.

My plan does not involve any price fixing by law. It does not contemplate artificial or temporary stimulation of prices. It is not a burden on the taxpayers. It does not violate well-recognized economic laws. It does not inject any new principle of business. It simply provides machinery for placing the control of the farmer's supply of his commodities on the same basis as is voluntarily practiced by successful industry. My bill authorizes the President to make agreements with other countries producing and exporting cotton or wheat, limiting the annual supply in export trade by those making such agreements.

It may be recalled that such offers were made to our country last year. There was then no law under which such agreements could be entered into by the United States and no legal way to carry out and enforce the same in our country. My bill establishes the authority for making such agreements and provides the machinery for enforcement. An agreement between India, Turkey, and our country regulating the supply to fit the consumption demands would certainly provide an easy way for lifting world prices for cotton to reasonable levels. The same may be said of an agreement with Canada, Argentina, and Australia covering the wheat supply.

Authority is given to the President, on the joint recommendation of the Secretary of Agriculture and the Secretary of Commerce, to increase the quantity of cotton or wheat that may be transported in interstate and foreign commerce. This authority puts us in position to meet conditions and exigencies that may arise after the board has fixed the supply. It also gives the President latitude and leverage in dealing with other countries. If other countries decline to limit exports, the President has the power to take the limit off in this country.

If this plan is put into legal operation before next year's crop planting has proceeded too far for adjustment, who can seriously doubt that a much larger income will be received by cotton and wheat farmers for 1933 and succeeding years? Time for action is short. I have presumed to

indulge the hope that by bringing this measure to the early attention of the Senate the agriculturally minded Members might give it immediate and intensive study.

I recognize the difficulty of selling a new idea; but, as I view the situation, some new remedy must be applied. I nurse no pride of opinion. I am not jealous about authorship. If some Senator will rewrite and improve the bill, I shall gladly get behind him. I am interested in action to aid the farmers. I am deeply concerned with the results. I should be happy to be a humble follower, if some Senator with experience and prestige and influence would take the lead in a drive to secure remedial legislation which will increase the price of farm commodities. I do not insist that such an effort shall be in support of the plan I have offered. I am willing, ready, and anxious to give my support to any plan which I am encouraged to believe will be helpful in increasing the prices of farm products. I am willing to experiment with drastic and heroic treatment on an expiring patient. My plan looks to a permanent remedy, on principles long recognized and practiced by industry. On some commodities, controlling the supply may aid, or may dispense with, the use of the allotment plan.

Controlling the surplus will operate with all commodities, at all times, to the advantage of the producers, and that is true whether the commodity may be fully consumed in domestic markets or must find foreign markets for an excess over home consumption.

I appreciate the attention Senators have given me while I have been discussing the question. I want to invite attention, however, to the fact that there is absolutely a minimum of Federal machinery involved. It is proposed to use the agencies of government which now exist. There is little additional cost, nothing but the allocation or allotment of quantities and the issuance of the licenses. I have heard of no plan presented which has less Federal machinery involved in it. When that is done, then the whole problem is remitted to a settlement upon the basis of the economic law of supply and demand.

CONSIDERATION OF THE CALENDAR

Mr. McNARY. Mr. President, earlier in the day I had intended to propose a unanimous-consent agreement to take up the calendar, but in view of the lateness of the hour I shall wait until to-morrow, giving notice now, however, that during the morning hour to-morrow I shall ask that the calendar of unobjected bills may be considered. I now move that the Senate adjourn.

The motion was agreed to; and (at 2 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Thursday, December 8, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 7, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

"God is love." We thank Thee that the sovereign antidote to the stings of life is the magic of Thy love and the enveloping sympathy of the Savior of men. By many silent tokens, O Father, make strong our hearts to accept the stern ideals of duty. We would yield allegiance to one throne and one scepter, and by this loyalty may we cherish the hope that all men's good may become each man's care. By the passion of our patriotism and devotion to the public service may every barrier to our Nation's progress be broken down. Lift aloft, blessed Lord, the standards of brotherhood, private virtue, civic righteousness, and bless our entire land with the excellence of good will and peace. In the adorable name of the Christ whom we worship.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed the following resolutions:

Senate Resolution 288

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. HENRY ST. GEORGE TUCKER, late a Representative from the State of Virginia.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased Representative, the Senate do now adjourn.

Senate Resolution 289

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. CHARLES A. KARCH, late a Representative from the State of Illinois.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased Representative, the Senate do now adjourn.

Senate Resolution 290

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. J. CHARLES LINTHICUM, late a Representative from the State of Maryland.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative, the Senate do now adjourn.

Senate Resolution 291

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JAMES C. McLAUGHLIN, late a Representative from the State of Michigan.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now adjourn.

The message also announced that the Vice President had appointed Mr. SMOOR and Mr. HARRISON members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Treasury Department.

THE PRESIDENT AND THE BUDGET

Mr. BLANTON. Mr. Speaker, I move the House do now adjourn.

The SPEAKER. The Chair will recognize the gentleman from Texas to ask unanimous consent to address the House for two minutes, if he desires to.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to address the House for two minutes. [Laughter and applause.]

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, while we are waiting for the President's message on the Budget for 1934, it is amusing to note that until three months before the President is to leave the White House every Budget he has heretofore sent this Congress has asked us to appropriate for his departments of Government over four billions of dollars a year.

I have heard it said that a man in high public life absorbs things as the years roll by. It is a pity that earlier in his administration the President might not have absorbed the idea so prevalent in the breast of every American—that the expenses of the Government must be cut down. I understand that now, within three months before he is to retire to private life, for the first time in his administrative history, he is to recommend to the Congress that we cut down expenses about \$800,000,000.

I want to ask the President why on God's earth has he not done it heretofore? Why did he not do it for the fiscal year 1933?

Mr. UNDERHILL. Will the gentleman yield?